

Office of the Naval Sea Systems Command Inspector General

Case Number: 201502193

Report of Investigation

02 November 2015

1. Investigator and Location of Working Papers

a. Investigator and Identifying Information

(1) Ms. Rita BALDWIN PRIDDY, NT-05, Supervisory Administrative Technical Specialist, Command Evaluation and Review Office (CERO), Naval Surface Warfare Center, Crane Division (NSWC Crane), 812-854-6901, rita.baldwinpriddy@navy.mil.

(2) Mr. Jacob HOBBS, NT-04, Administrative Technical Specialist, NAVSEA IG, NSWC Crane, 812-854-3532, jacob.hobbs@navy.mil.

b. Location of Working Papers

(1) Commanding Officer, NSWC Crane, CERO, 300 Highway 361, Building 5, Crane, IN 47522.

(2) Naval Inspector General Hotline Tracking System (NIGHTS).

Preliminary Statement

2. Background and Summary

a. Hotline Control Numbers, Dates of Receipt, and Tasking Dates

(1) On 16 July 2015 NSWC Crane CERO, while conducting an interview for a command investigation, received information from interviewee that was appropriate for an Inspector General (IG) Hotline. Interviewee completed a Hotline complaint submission form and NSWC Crane CERO entered the complaint in NIGHTS and generated case number 201502193.

(2) On 21 July 2015 NSWC Crane CERO requested to perform a Preliminary Inquiry.

(3) On 10 August 2015 Naval Sea Systems Command Inspector General (NAVSEAINSGEN) requested to perform a Preliminary Inquiry.

(4) On 12 August 2015 the Naval Inspector General approved a Preliminary Inquiry to be conducted by NAVSEAINSGEN.

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(5) On 15 September 2015 NSW Crane revised the Preliminary Inquiry to transfer two allegations to Naval Criminal Investigative Service (NCIS)/Acquisition Integration Office (AIO).

(6) On 18 September 2015 NAVSEAINSGEN endorsed the Preliminary Inquiry Report calling for Full Investigation.

(7) On 29 September NAVINSGEN approved a Full Investigation to be conducted of Allegations 1-3.

b. Summary of Complaint. During a command investigation interview, on an unrelated matter, contractor **Greg WEST** came forward with allegations involving government contractor personnel from Computer Sciences Corporation (CSC), as well as NSW Crane government personnel. **WEST** alleged the following events occurred multiple times during the fiscal year 2015 (FY-15) at NSW Crane:

(1) That NSW Crane Contracting Officer's Representative (COR), government employee **Joe CHRISTLEY**, overlooked problems with CSC and oftentimes did whatever CSC management staff told him to do.

(2) That government employee **Francis ROSS** maintains an inappropriate relationship with CSC employee, contractor **Teri BECKER**, inasmuch as he cohabitates with **BECKER**, a CSC employee, and **BECKER** is physically located immediately adjacent to **ROSS**' office.

(3) That government employee **James PARSCH** has an inappropriate relationship with a CSC employee in that **PARSCH** has been observed exiting the privately owned vehicle of a CSC employee on numerous occasions.

(4) That **PARSCH** has invited CSC personnel to government "all hands" meetings and provided information that would give CSC advantages over the competition.

c. This investigation addresses allegations and issues presented by a confidential complainant. Where the complainant presented substantive information suggesting wrongdoing by an individual, this investigation sought to obtain the facts to substantiate or not substantiate the allegations against an individual. The preponderance of credible evidence (greater than 50 percent) is the standard of proof applied to an IG investigation to substantiate allegations, i.e., the proposition is more likely to be true than not true.

d. A preliminary inquiry was completed prior to gaining approval from NAVSEAINSGEN and NAVINSGEN to proceed with a full investigation. During the conduct of the preliminary inquiry, it was determined that **CHRISTLEY** was not properly overseeing contract **N00178-04-D-4030-FC11**, that **ROSS** maintained a live-in relationship with a CSC employee, and that **PARSCH** was precluding proper contract oversight and providing CSC with favorable competitive advantages.

3. Additional Information: During the investigation, an allegation emerged against **Norris REYNOLDS**, NSW Crane Information Systems Security Manager (ISSM), for failing to

properly follow 5 CFR 2635.502 when he became aware of **ROSS'** relationship with **BECKER**.

4. Summary of the outcome of investigation:

a. The Investigating Officer (IO) investigated four allegations. One allegation was against **CHRISTLEY**, one against **ROSS**, one against **PARSCH**, and one (emerging) against **REYNOLDS**. The allegation against **CHRISTLEY** was substantiated. Based on the evidence, **CHRISTLEY** is not performing his duties per the NAVSEA COR Instruction, 4200.17E. The allegation against **ROSS** was substantiated. Based on the evidence and his admission, **ROSS** maintains an ongoing intimate relationship with a contractor employee working for his division, **Code 104**, causing his impartiality to be questioned. The allegation against **PARSCH** was substantiated. Based upon the evidence collected and testimony received, it is more likely than not that CSC and **Sue DAVIS, CSC Program Manager**, received direct and/or indirect benefit due to the actions of **James PARSCH**. The allegation against **REYNOLDS** was substantiated. Pursuant to 5 CFR 2635.502, **REYNOLDS** failed to properly analyze and provide determination as to **ROSS'** impartiality and ability to participate in certain matters.

5. Summary of Allegations:

a. Allegation #1: That **Joseph CHRISTLEY, GS-12, COR, Code 1042, NSWCrane**, failed to execute COR oversight duties, on a continuing basis in FY-15, in violation of NAVSEA Instruction 4200.17E, Contracting Officer's Representative. Substantiated

b. Allegation #2: That **Francis ROSS, Deputy ISSM, NT-2210-05, Code 1043, NSWCrane**, failed to identify an ongoing personal relationship with a CSC employee, **Teri BECKER**, to his agency designee, in violation of 5 CFR 2635.502, business and personal relationships/impartiality. Substantiated

6. Allegation #3: That **James PARSCH, NT-0802-06, Division Manager, Code 104, NSWCrane**, provided non-public information to contractor company CSC, by maintaining private meetings with CSC personnel, and by inviting CSC employees to government meetings and providing information that renders CSC competitive advantages in contracting, in violation of 5 CFR 2635.703. Substantiated

7. Allegation #4: That **Norris REYNOLDS, NT-2210-05**, as the "Agency Designee", failed to properly analyze and make a determination, pursuant to 5 CFR 2635.502, whether a reasonable person with knowledge of the relevant facts would be likely to question **Francis ROSS'** impartiality due to **ROSS'** personal and intimate relationship with a contractor employee from CSC, and further, failed to determine **ROSS'** ability or inability to participate in certain matters. Substantiated

8. Allegation #1: That **Joseph CHRISTLEY, GS-12, COR, Code 1042, NSWCrane**, failed to execute COR oversight duties, on a continuing basis in FY15, in violation of NAVSEA Instruction 4200.17E, Contracting Officer's Representative.

Applicable Standard

9. NAVSEA Instruction, 4200.17E, provides in part as follows:

(g) Documenting the contractor's performance is a critical portion of the COR's duties. The COR shall submit monthly reports to the Contracting Officer documenting the contractor's progress and identifying any problems/issues with the contractor's performance and recommend possible notice or action to be taken by the Contracting Officer. For contracts/orders with a performance period of less than 60 days, the Contracting Officer shall determine the frequency of COR reporting requirements. The COR shall submit Monthly Reports to the Contracting Officer with a copy to the applicable Requiring Activity Manager and/or COR Supervisor. These reports shall be in writing and may be submitted via hardcopy, but preferably via e-mail or via activity on-line portal where applicable. The NAVSEA template for a COR's Monthly Report is provided as enclosure (5). As a minimum requirement, the COR must address these reporting elements in their Monthly Report: ...3. Invoicing (timeliness and allocability). The COR shall review the contractor's invoices submitted during the reporting period, including the supporting documentation provided by the contractor for those invoices. The COR must review this data to determine: (1) timeliness of invoicing (to ensure sound expenditure plans) and (2) allocability of the costs incurred. The COR should review invoices to ensure the general appropriateness of types and quantities of labor and material to the tasks being performed and the general accuracy of the invoiced amounts compared to the contractor's observed performance. ...The COR communicates with the Contracting Officer on a routine basis regarding contractor oversight and performance and maintains required documentation to support monitoring Contractor performance, including monthly status reports, formal correspondence, invoice substantiation, contract data deliverables, and Technical Instructions and/or Technical Direction Letters, as required.

Findings of Fact

10. The IO obtained copies of CHRISTLEY's COR Nomination Letter and COR Appointment Letter for contract N00178-04-D-4030-FC11, dated 22 January 2014 and 04 February 2014 respectively. The IO obtained copies of CHRISTLEY's COR training records. Upon review, CHRISTLEY is up-to-date for required training for his position as a COR.

11. The IO obtained seating charts for Building 5173. Upon review, it was determined that the COR is co-located with several contractor employees supporting contract N00178-04-D-4030-FC11.

12. The IO obtained an org chart for Code 104. After review, it was determined that CHRISTLEY is a member of Code 104 as a COR, while his management chain serves as Requiring Technical Authority (RTA) for contract N00178-04-D-4030-FC11.

13. The I/O obtained FY15 Wide Area Workflow (WAWF) invoices from January through August for contract N00178-04-D-4030-FC11 for review. Multiple inconsistencies were documented during review, including, but not limited to the following:

- a. For the period used, invoices contained charges relating to expired Contract Line Item

Numbers (CLIN) and Sub-Contract Line Item Numbers (SLIN).

b. Invoices revealed inconsistent rate charges for employees of CSC and its sub-contractors. Initially, the I/O pulled three invoices at random to inspect. Upon discovering issues with each invoice, the I/O pulled invoices for YTD (January – August 2015). In addition, the I/O sent three of the invoices to the Contract Fraud Assessment and Mitigation team at NAVSEA HQ for review. Included below is a small snapshot of the billing inconsistencies from three separate 2015 invoices (37.5% of sample, 25% of the fiscal year).

Figures 1 through 4: Examples of rate inconsistency on CSC invoice

Figure 1:		Weekly Hours		Dollars	Tot. Hours
ADMINS Admin (General)	MARKLE SHELLAYNE A		0.00	0.00	4,344.50
		07/24/2015	32.00	974.75	32.00
		07/31/2015	32.00	1,218.44	32.00
		08/07/2015	40.00	1,218.44	40.00
		08/14/2015	40.00	1,218.44	40.00
		08/21/2015	40.00	1,218.44	40.00
ADMINS Admin (General)	MARKLE, SHELLAYNE A		184.00	5,848.51	4,528.50

Figure 2:		Weekly Hours		Dollars	Tot. Hours
RANA Remediation Analyst	DERLETH, ROBERT M	03/20/2015	8.00	244.47	8.00
		03/27/2015	25.00	564.15	25.00
		04/03/2015	0.00	48.89	0.00
		04/10/2015	0.00	458.38	0.00
		04/17/2015	0.00	458.38	0.00
RANA Remediation Analyst	DERLETH, ROBERT M		33.00	1,774.27	33.00

Figure 3		Weekly Hours		Dollars	Tot. Hours
RANA Remediation Analyst	SELLERS, STACY M		0.00	0.00	4.00
		03/20/2015	2.00	77.84	2.00
		03/27/2015	13.50	412.48	13.50
		04/03/2015	6.50	236.28	6.50
		04/10/2015	0.00	408.66	0.00
		04/17/2015	0.00	408.66	0.00
RANA Remediation Analyst	SELLERS, STACY M		22.00	1,543.92	26.00

Figure 4:		Weekly Hours	Dollars	Tot. Hours
PMGR Program Manager	DAVIS, SUE A	0.00	0.00	9.50
		05/22/2015	0.40	20.60
		05/29/2015	0.40	20.99
		06/05/2015	0.40	24.24
		06/12/2015	0.40	24.73
PMGR Program Manager	DAVIS, SUE A	1.60	90.56	11.10

14. For Figures 1-4, examples of inconsistencies are as follows:
- In Figure 1, **MARKLE** is paid the same amount for different hours (i.e. 32 hours and 40 hours, both have a net payment of \$1,218).
 - In Figures 2-3, it appears that CSC billed for **DERLETH** and **SELLERS**, but both worked zero hours.
 - In Figure 4, **DAVIS** bills a different rate for identical hours each week.
15. **CHRISTLEY** could not provide reconciliation documentation because he did not have a method to track invoice reconciliation. **CHRISTLEY**'s monthly COR reports were reviewed for FY15 to determine level of detail and content delivered to the Contracting Officer (KO). The KO and Contract Specialist requested more information on multiple COR reports. See "Specialist Notes" of Figure 5 below.

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Figure 5: Example monthly COR report dated 30 January 2015

COR Monthly Report
(Including specialist and KO notes)

1/30/2015

From: Contracting Officer's Representative - Christley, Joseph
To: Contracting Officer - Good, Chris
Subj: CONTRACT/ORDER N80178 04 D-4030-FC11 Report Period Ending: 12/31/2014
ref (a) NAVSEAINST 4200.17L
(b) DoD CPARS Policy Guide, November 2012

1. In accordance with reference (a), this monthly report is hereby submitted on the subject contract/order. Services were performed (or products delivered) in accordance with the contract terms and conditions. Overall the contractor's performance was rated in accordance with reference (b):

☐ Exceptional
☐ Very Good
☒ Satisfactory
☐ Marginal
☐ Unsatisfactory

2. Provide a description of your findings. Describe any significant issues that could impact successful performance, positive observations or trends. Areas of consideration should include:

a. Cost and schedule control: There have been no issues related to cost and schedule control. There are no issues in which financial issues. There are no cost over runs.

b. Labor disputes (potential and actual): The COR is aware of no potential labor disputes. There have been no reported, actual labor disputes.

c. Invoicing (timeliness and allocability): Invoicing has been timely. The COR has no issues with invoicing at this time.

d. Address Service Contract Inquiries, if applicable, in accordance with NAVSEA Memo Ser 00/073 of 4 Apr 2012 entitled NAVSEA Head of the Contracting Activity Services Contracting Priorities, Interim Policy. There are no anticipated Trip Wires at this time.

e. Quality assurance (weaknesses/shortfalls): There have been no issues with quality assurance.

f. CDRL submissions and quality: CDRL submissions have been timely. There are no issues to report.

g. Services provided or products delivered: There are no issues associated with the services provided.

h. Adequacy of Contractor's performance reporting: There are no issues to report.

i. Any vulnerability to fraud: The COR is not aware of any vulnerabilities to fraud.

Explain how these problems were communicated to contractor: There have been no problems to communicate to the contractor.

3. Summarize all new Technical Instructions (TIs) issued to the contractor during this reporting period and provide a copy of each TI to the Contract Specialist: There are no new TIs to report during this reporting period. The latest Task Instruction, TI 20, was awarded July 17, 2014.

4. Provide a summary of any significant discussions with contractor relative to contract performance. There have been no significant discussions relative to contract performance in the month of December.

5. If CPARS was submitted during the period, provide copy to the Specialist: CPARS was completed 4-14-14.

6. Provide recommended course of action to Contracting Officer to resolve known or perceived contract performance issues. There is no recommended course of action at this time.

Additional Comments:

Date Updated: 12/17/2014 Page 1 of 2 Date Printed: 10/5/2015

COR Signature: Joseph H Christley 1/30/2015

Specialist Notes:
The COR needs to provide more detail within the report to include mention of meetings held and what was discussed, work on the upcoming Option Year TIs, conversations with the PM, etc. Based on the above report, there is no information that could help in explaining exactly how the TI is going, or items that could be used to help outline CPARS are correctly reflecting the current PoP.

KO Notes: Specialist Signature: Dorelle Talbert 2/3/2015

Concur with Specialist Notes:

KO Signature: Christopher R. Good 2/3/2015

Witness Testimony

16. NSW Crane COR Certification Manager, Jeff JOHNSON stated that N00178-04-D-4030-FC11 is currently the only contract CHRISTLEY oversees as COR. JOHNSON stated that CHRISTLEY had been complaining about workload during his last review, but noted that there are other CORs who are managing four or five contracts to CHRISTLEY's one.

17. The COR, CHRISTLEY, works with the contract specialist on a regular basis concerning contract actions, reporting, and any issues of which contracting needs awareness. Danielle TALBERT, contract specialist for N00178-04-D-4030-FC11, testified that she does not receive enough information from CHRISTLEY's COR reports. She further stated that she had conversations with him regarding the lack of detail and the need for more detailed reports. TALBERT opined that the reason the COR reports lack detail is because in general, CORs do not want to complete the report. She further stated that the COR report should be able to relay the contract information appropriately in the event that another COR needs to perform the duties or if the COR were to leave their job entirely. Instead, she stated that the COR reports, including CHRISTLEY's, only contain one sentence answers and, in many cases, "Not Applicable" instead of actual details.

18. TALBERT described the level of interaction with CORs as high-level as they are ideally the first line of defense on anything that happens with the contract.

19. TALBERT stated there have been ongoing struggles with Code 104 (IT) and CHRISTLEY regarding meetings between the government and contractors. TALBERT stated that the division prefers to hold meetings without the COR and/or contracting department present. The issue has progressed to a level that the contracting department implemented a new Contract Data Requirements List (CDRL) that requires the vendor (CSC) to keep minutes of any meeting with government representatives. TALBERT stated that the goal of the CDRL was to finally get information that was being discussed in the meetings. She stated that the RTAs and the vendor had awareness of actions prior to the contracting department and the CDRL was the latest attempt to remedy this problem. TALBERT stated that James PARSCH, Code 104 Division Manager, held many of the meetings. During his interview, PARSCH attested to restricting CHRISTLEY from attending meetings.

20. TALBERT testified that she had never actually seen a reconciled invoice from CHRISTLEY but tried to verify reconciliation with him; however, CHRISTLEY could not provide documentation. According to TALBERT, CHRISTLEY has never had any actual issues or "red flags" with invoicing from CSC. However, TALBERT stated that she had identified an issue in an invoice involving mismatched dates that CSC was using to recover incentive fees.

21. TALBERT stated that, in her opinion, CHRISTLEY understands he needs to review invoices. However, she stated that he does not complete them because he does not believe he has time to do the reviews adequately.

22. According to TALBERT, CHRISTLEY had a reputation as a COR that “was not very highly thought of” prior to his current assignment.
23. Teri BECKER, Certification and Accreditation (C&A) Analyst, CSC, stated that she does not know who the COR is for her contract, N00178-04-D-4030-FC11. She further stated that no one from the government has performed a desk audit or stopped by her desk to check on her. BECKER stated that she generally checks with her RTA regarding tasking or to check over something, but no one asks her about her work. When asked specifically about CHRISTLEY, BECKER stated that she knew who he was, but she did not know CHRISTLEY’s function.
24. CSC Program Manager, Sue DAVIS, stated that CHRISTLEY had been “standoffish” and not very engaged in the contract. S. DAVIS further stated that CHRISTLEY had gotten better, but his performance is still lacking, in her opinion. S. DAVIS cited issues with contract evaluations and lack of communication as her main concerns with CHRISTLEY.
25. Norris REYNOLDS, Code 1043 branch manager, stated that CHRISTLEY “infrequently” visits the cubicle area where a number of CSC employees are located.
26. Francis ROSS, stated that CHRISTLEY was “rarely, if ever” in his area. ROSS further stated that his evaluation of CHRISTLEY’s interaction with the contractors working on N00178-04-D-4030-FC11 was “little to none,” and that he would rate CHRISTLEY’s observed oversight as “minimal.”

Subject Testimony

27. CHRISTLEY stated that he is the COR for contract N00178-04-D-4030-FC11 and has been since early 2014. According to CHRISTLEY, he has worked as a COR since 2008.
28. CHRISTLEY stated that he does not have much interaction with the CSC contractors. As quoted below:

20. Do you work with the CSC contractors?

Not really. They are employed...Employed is not the best word, but they are under the contract that I administer. For the most part, I don’t have much interaction with them at all.

21. So what would you say your frequency of interaction with the CSC personnel is then?

The contractors that are doing the work? Very little. I mean, I’ll say ‘hello’ to them in the hallway. That’s about it; “How’s it going to day?” “Nice today isn’t it?” The program manager, I would say half an hour a week, maybe a little more depending on...Sometimes we meet quite a bit depending on what’s going on.

29. When asked if he’s ever been asked to leave a meeting or not attend, CHRISTLEY stated that he did not believe that had ever occurred. When asked further if there were any meetings that CHRISTLEY was not in attendance (but should have been), CHRISTLEY answered “Well,

I don't know because if there was I wouldn't have been in attendance."

30. **CHRISTLEY** stated that his expectation is to be involved in every meeting that occurs between the government and the contracting vendor.

31. In discussing his level of involvement in contract oversight, **CHRISTLEY** provided the following:

40. So what is your level of involvement in the contract administration of 4030-FC11?

My level of involvement in the administration? I believe my point of view is pretty in-depth. I critique the invoices, you know, costing, deliverables. If there's any issues, and I mean *anything*, we go through our process. I work with my contract specialist, who goes to the KO, you know, we document it and we fill out CPARS, and there's been some unfavorable CPARS in the last year and that wasn't...that was really frowned on. But I felt like I needed to report these things, and it wasn't just my idea, it was myself and contracts and we kind of planned and we did what we thought was best. (Note: CPARS stands for the Contractor Performance Assessment Reporting System and hosts a suite of web-enabled applications that are used to document contractor and grantee performance information.)

32. When asked about "red flags" or issues with the contract, **CHRISTLEY** stated that the contract runs smoothly and that nothing came to mind as far as issues or observed "red flags."

33. When addressing the monthly COR reports, **CHRISTLEY** admitted that he had been asked to provide more detail to the contracting officer and specialist.

34. During a discussion about invoice reconciliation, **CHRISTLEY** stated that he reviews the invoice by reading it "line-by-line." However, **CHRISTLEY** does not keep a running spreadsheet or any documentation that shows a record of his reconciliation.

35. During the discussion about invoicing, **CHRISTLEY** mentioned a time when he noticed an employee charged 80 hours for one week. **CHRISTLEY** previously stated the contract allowed for no overtime. After **CHRISTLEY** stated this, the I/O asked the following:

112. Have you ever had anybody that when you added up all their lines showed up to be a crazy amount of hours?

No. No. Well, I've seen people – and I saw this on the last invoice and I asked about it – I've seen people who had 80 hour weeks. One woman had an 80-hour week. She had a couple, I think, 67-hour weeks, and that was a red flag to me, and then I look over to the right and the cumulative amount of money was equivalent to when she worked a 40-hour week. She reported her hours but the cost didn't go up. They just reported those hours. She didn't get paid for working an 80-hour week.

By **Ms. Baldwin-Priddy**:

113. Why would they bill for an 80-hour week then? I don't get that.

They're not billing. They just put her 80 hours down but the cost was for a 40-hour week.

114. So what does that mean? That she did work 80 hours but you didn't get billed for it?

There's no overtime allowed on the contract. Yeah.

115. Do you really think she worked 80 hours?

I don't know.

116. Or did you go ask?

Well, she works right outside my office but she could have...I don't think she put in those kinds of hours but I don't know for sure. I'm not timing her.

By Mr. Hobbs:

117. You didn't go back to CSC and say, "Why is there 80 hours on this one week?"

Well, actually I went to the government person that works with her. I went to Dave Bartlett and I said, "What's this 80 hours about?" And I said, "It looks like she worked 80 hours but she only got paid for 40," and he said, "Well, there's just so much work to do." They're basically like salaried people.

By Ms. Baldwin-Priddy:

118. He was confirming she worked 80 hours?

He was not confirming that she worked 80 hours.

119. Was he denying it?

What's that?

120. Was he denying that she worked 80 hours?

All he said was, "We had a lot of work to do."

121. Well, that sounds like he's saying she worked 80 hours.

That was all that was said. He didn't say, "Yeah, I know she worked 80 hours. I was here." He said, "We have a lot of work to do. She's probably just doing her work," and I said, "Man, I wouldn't want that job."

36. When the IO inquired again regarding a reconciliation process, CHRISTLEY responded that the invoicing is "pretty clear-cut." CHRISTLEY did state that he had requested a tool from a previous contracting officer that would allow him to reconcile an invoice better. However, that contracting officer left and CHRISTLEY never followed up with the next or tried to develop his own tool.

37. CHRISTLEY testified that he does not have the hourly rates for contract N00178-04-D-4030-FC11, and further, that he believed them to be "proprietary information."

38. When asked how he verifies that the government gets what it pays for, CHRISTLEY stated "we have hours." He went on to state that as long as invoices show roughly 40 hours, then there is no issue.

39. CHRISTLEY testified that he is required to perform a floor audit. The last one CHRISTLEY completed was six or eight months prior to his interview. CHRISTLEY stated that he had been told such floor audits were only required once per year. CHRISTLEY went on to say that he would like to do them more often, but they are time-consuming, so he does not perform them. CHRISTLEY stated that does not perform space walkthroughs, even informally, to see if contractors are at their desks working.

40. After his subject interview, CHRISTLEY returned to review his statement. During that time, CHRISTLEY questioned the IO about the investigation. CHRISTLEY conveyed to the I/O, that during the monthly IPT, he had tried to request attendance during meetings between CSC personnel and Code 104. However, CHRISTLEY stated that PARSCH told him openly during the IPT that the COR will not attend any meetings that are held between PARSCH and CSC. Personnel from the contracting department witnessed this statement as well. Additionally, CHRISTLEY wanted to know if he quit his job, would the investigation "go away."

Analysis

41. As a COR, CHRISTLEY is expected to adhere to his COR appointment letter as well as the responsibilities set forth in NAVSEAINSTR 4200.17E, which requires the COR review invoices for timeliness, allocability, and general appropriateness of charges. CHRISTLEY was unable to provide any documentation to indicate he reviewed any invoices. Invoice reconciliation is a basic function of a COR. Upon review of twelve invoices for contract N00178-04-D-4030-FC11 from FY15, the IO found instances of rate error, CLIN/SLIN errors, and general "red flags" on each invoice reviewed. CHRISTLEY was unaware of any errors, and maintained that it was a smooth contract and he did not have any issues with invoicing. The contract specialist has had to request more information from CHRISTLEY on multiple occasions (one instance is documented on the 30 January 2015 COR report above). In one example given, the contract specialist caught an error on an invoice during a review. The error involved billing that CHRISTLEY was expected to monitor, but had failed to raise any questions regarding the errors.

42. The contract specialist expressed concern that CHRISTLEY was being removed from meetings involving the contractor and government personnel. Seven witnesses also attested to private meetings occurring between division personnel and the contracting company. The division manager James PARSCH testified that he has in fact restricted CHRISTLEY from attending meetings between government and contractor personnel. The contract specialist stated that the private meetings were such a problem a CDRL was written into the contract that required meeting minutes to be kept by the contractor for any communications occurring with government personnel. CHRISTLEY's oversight should include access to such meetings, and as such, he cannot effectively perform his function, per the instruction, with limited oversight.

43. CHRISTLEY could not provide any evidence of ongoing monitoring of the contractor employees to ensure that they are performing work according to what the government expects, or to ensure the government gets what it pays for with the terms of the contract. Contractor personnel working under N00178-04-D-4030-FC11 testified to having no awareness of who their COR is, or ever interacting with that person (CHRISTLEY). According to NAVSEAINSTR

4200.17E, the COR should determine allocability and appropriateness of charges. CHRISTLEY stated that he read the invoices "line-by-line," but he did not have a method to ensure that what he read "line-by-line" is what actually occurred. CHRISTLEY provided a set of desk audits to the IO. The audits were approximately 8 months old and limited in scope. At the very least, CHRISTLEY should perform walkthroughs or desk checks to ensure that contractor personnel are at their sites and working according to what the government expects. CHRISTLEY stated that the desk audits were too time-consuming and thus did not perform them.

44. The I/O questioned CHRISTLEY regarding information found in the meeting minutes reported by CSC in the Monthly Status Reports (MSRs). However, CHRISTLEY was not knowledgeable of these minutes. During questioning, CHRISTLEY stated that he had not had time to review minutes from the current month. The I/O then based questions on previous months to which CHRISTLEY was again not knowledgeable of the facts found in the minutes. It can be reasonably inferred that CHRISTLEY is not reviewing the MSRs provided by CSC. In the absence of his attendance during meetings, the MSRs could provide CHRISTLEY valuable oversight information for the contract. However, CHRISTLEY is not effectively utilizing the MSRs or the meeting minutes.

45. CHRISTLEY's COR reports from FY15 (eleven total) were gathered and analyzed by the I/O. The reports were insufficient in detail and lacked substance. On four reports, the contracting officer and contracting specialist had made notes to CHRISTLEY to include more detail as well as asking for missing elements. During an interview with the specialist, TALBERT stated that CORs, in general, do not want to complete the report, and that CHRISTLEY was no different. TALBERT further stated that CHRISTLEY's reports oftentimes just answer with one sentence, or the phrase "Not Applicable." Her statements were verified through review of the reports. The COR appointment letter, and the COR instruction, both discuss providing reports to the contracting officer. Specifically, the instruction states, "The COR shall submit monthly reports to the Contracting Officer documenting the contractor's progress and identifying any problems/issues with the contractor's performance and recommend possible notice or action to be taken by the Contracting Officer." For contract N00178-04-D-4030-FC11, CHRISTLEY does not believe there have ever been any issues. However, TALBERT, the specialist, pointed out that there have been "several." The contracting department discovered the issues during spot-check reviews of the contract. Per Talbert, the COR is the first line of defense. As such, contracting must be able to rely on the COR to identify issues with the contract.

46. CHRISTLEY has received the necessary training to be a COR, and has the appropriate certifications. He should be aware of what he has to do as a COR, and what functions he is required to perform. In TALBERT's opinion, CHRISTLEY does not believe he has time to do some things properly, and therefore does not do them at all. Based upon CHRISTLEY's own testimony, the IO agrees with TALBERT. CHRISTLEY is an employee of Code 104. As a COR, he is expected to oversee actions of the contract and inform his leadership of issues when addressing their actions with contract N00178-04-D-4030-FC11. It appears that CHRISTLEY understands this function, as does his leadership, but he is not carrying it out. A majority of witnesses interviewed rated CHRISTLEY's involvement and oversight poorly. The Program Manager of CSC described CHRISTLEY as "standoffish" and not very engaged in the contract,

although she stated he had been getting better. As the COR, CHRISTLEY does not implement the practices expected by NAVSEAINSTR 4200.17E. CHRISTLEY has received the proper tools to perform his job; however, CHRISTLEY does not have evidence to prove that he is adequately monitoring contract N00178-04-D-4030-FC11.

Conclusion

47. Allegation #1 is substantiated.

Recommendation

48. That CHRISTLEY be held accountable for failure to execute COR oversight duties as provided by NAVSEAINSTR 4200.17E.

49. Allegation #2: That Francis ROSS, Deputy ISSM, NT-2210-05, Code 1043, NSW Crane, failed to identify an ongoing personal relationship with a CSC employee, Teri BECKER, to his agency designee, in violation of 5 CFR 2635.502, business and personal relationships/impartiality.

Applicable Standard

50. Impartiality in Performing Official Duties, 5 CFR 2635.502 provides in part as follows:

Where an employee knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interest of a member of his household, or knows that a person with whom he has a covered relationship is or represents a party to such matter, and where the employee determines that the circumstances would cause a reasonable person with knowledge of the relevant facts to question his impartiality in the matter, the employee should not participate in the matter unless he has informed the agency designee of the appearance problem and received authorization from the agency designee in accordance with paragraph (d) of this section.

Findings of Fact

51. There was no documentation provided to the I/O exhibiting that the NSW Crane agency designee reviewed the relationship. According to NSW Crane Legal, the agency designee in this case would be Norris REYNOLDS, ROSS' branch manager. ROSS should have notified his agency designee (REYNOLDS) of his relationship with BECKER. Legal stated that REYNOLDS should have examined specific elements (factors designated by 5 CFR 2635.502(c)) of the relationship to determine course of action. In addition, REYNOLDS should have thoroughly documented his analysis of ROSS' relationship using the criteria from 5 CFR 2635.502.

52. The IO obtained a copy of Teri BECKER's testimony from a separate and unrelated Command Directed Investigation. In that case, BECKER testified that she and ROSS are boyfriend and girlfriend and co-habitate. BECKER further stated that she and ROSS had been together for five years.

53. A review of building 3173 seating charts revealed that BECKER sits directly outside ROSS's office.

Figure 6: Seating chart of building 3173 showing **Ross** location to **BECKER**.

DAWN MAGWIRE 21 GOV	RENE WORRELL 22 SAG	WENDELL HILL 23 CSC	ANDREW STEWART 24 SAG	JOHN ROLLER 25 SAG	TERI BECKER 26 CSC	GOV 025 OFFICE 055 90 FRANCIS ROSS
GOV 20 STUART FLECK	CSC 19 JONATHAN HORTENMILLER	SAG 18 CHRIS PARODI	SAG 17 BRUCE NEW	SAG 16 BRYANT WILLIAMS	CSC 15 HELEN BRUNER	GOV 026 OFFICE 055 90 KELLI BELL
HENRY (RICK) SUNIGA 9 GOV	NANCY PHILLIPS 10 GOV	HEATHER ALCORN 11 D2D	12 VAC	THOMAS (TAB) BURTON 13 GOV	ERIC MIDRESS 14 CSC	GOV 027 OFFICE 055 90 MARK HARDMAN

54. **BECKER** is a certification and accreditation (C&A) analyst and performs final review of C&A packages before they go to NAVSEA for approval. **BECKER** also aids other analysts as they assemble the packages. **BECKER** is employed on contract N00178-04-D-4030-FC11.

55. **ROSS** is Deputy ISSM for NSWCrane. **ROSS** works aspects of the cyber security program, answering to Norris **REYNOLDS**, who is the NSWCrane ISSM. **ROSS** stated that he works on various tasking including cyber security, remediation, and other Information Assurance type work. As deputy, according to his supervisor **REYNOLDS**, **ROSS** serves as his "acting" while he is away. **ROSS** describes his role as compliant with policy.

56. The I/O obtained a copy of **ROSS**' position description (PD) from the NSWCrane Human Resources Department. According to **ROSS**' PD, he is a "Lead Compliance/Auditor". The PD describes **ROSS**' responsibilities as ensuring confidentiality, integrity, and availability of systems, networks, and information through the planning, analysis, development, implementation, maintenance, and enhancement of information systems security programs, policies, procedures, and tools. In addition, **ROSS** is expected to act on behalf of the Certifying Authority for the C&A auditing of IT systems and networks and provide significant input into the auditing of C&A packages that have been submitted for C&A. According to **ROSS**' PD, he is to ensure rigorous application of IA policies, principles, and practices in the delivery of all information technology (IT) services.

Witness Testimony

57. The IO interviewed Donal **DAVIS**, Contracting Division Manager, regarding the appropriateness of relationships between government and contractor employees. According to **D. DAVIS**, there is no direct prohibition of a government employee conducting a relationship with a contractor. **D. DAVIS** went on to state that in the past, relationships between husbands and wives have occurred, but they have also been reviewed for separation. According to **D. DAVIS**, there would need to be knowledge of how the government employee separates the

relationship from day-to-day duties. **D. DAVIS** further stated that, if nothing else, "There is an appearance that that's (the relationship) influencing work being directed to and other kinds of things."

58. **Carson POLLEY**, the current Contracting Officer, was unaware of any relationships between government personnel and contractor personnel under contract **N00178-04-D-4030-FC11**. When asked if a relationship between a government employee and contractor employee would be appropriate, he reiterated **D. Davis's** stance.

59. **Jennifer ARNEY**, IT Specialist, who worked in the same area as **ROSS** and **BECKER**, stated that she knew of the relationship only incidentally. She stated she found out during a conversation with a co-worker as she (**ARNEY**) was preparing to leave for another job opportunity. She further stated that it seemed like **ROSS** and **BECKER** kept the relationship "under the radar" because she had worked in the same division as **ROSS** and **BECKER** for some time and had no knowledge of the relationship. She stated that no one in the office seemed to know of the relationship at the time.

60. **ARNEY** stated that **ROSS** and **BECKER** lived together in Loogootee, Indiana.

61. **REYNOLDS**, who serves as **ROSS's** supervisor, stated that he knew **ROSS** and **BECKER** were seeing each other outside of work because **James PARSCH**, Code **104 Division Manager**, informed him of the relationship. According to **REYNOLDS**, **ROSS** was in no position to give her any benefit or gain. **REYNOLDS** confirmed the seating chart highlighted in figure 6 and acknowledged that their close proximity in the workplace could cause perception issues.

62. **REYNOLDS** testified that **ROSS** serves in his position as "acting" while he is away. As such, **REYNOLDS** stated that **ROSS** would have authority to sign documentation if **BECKER** needed management authorization.

63. **REYNOLDS** stated that he talked to **ROSS** about the relationship with **BECKER** but failed to document the conversation, nor did he consult NSWC Crane legal regarding the relationship.

64. **PARSCH** testified that he had knowledge of the relationship, but that he had never discussed it with **ROSS** nor did he state that the relationship was okay to continue. According to **PARSCH**, he found out about **ROSS's** relationship with **BECKER**, "in the last 2 years. Maybe last year."

65. **BECKER** admitted to having a relationship with **ROSS** and stated they are not married but do live together.

66. **BECKER** testified that in **REYNOLDS's** absence, **ROSS** signs documents for the branch personnel, which includes her. **BECKER** stated "everyone knows" about her relationship with **ROSS**, including **PARSCH**.

67. **BECKER** stated that her relationship began with **ROSS** shortly after **BECKER** got her job with CSC and they have been together for five years.

68. **BECKER** stated that neither she nor **ROSS** felt like the relationship was a “big deal” due to **PARSCH**, **REYNOLDS**, and CSC task lead **Mindy MAY** having knowledge of the relationship. However, **BECKER** could produce no documentation regarding acknowledgement of the relationship with **ROSS**. She testified that there were never any restrictions placed on her or **ROSS** concerning duties.

69. **CSC Program Manager, S. DAVIS**, testified that **ROSS** has engagement with contract **N00178-04-D-4030-FC11**. **S. DAVIS** stated that she talks to **ROSS** regarding remediation because he performs the audits to ensure CSC is compliant.

70. **CHRISTLEY, COR** for **N00178-04-D-4030-FC11**, testified that he was aware of the relationship between **ROSS** and **BECKER**. **CHRISTLEY** further stated that **Code 104** employee, **Nicole WEST**, made him aware of the relationship within the last six months.

71. **CHRISTLEY** testified that he asked about **ROSS**’ relationship with **BECKER** and it was determined there was no conflict. **CHRISTLEY** stated that **REYNOLDS** was the person he asked about the relationship, since he is **ROSS**’ supervisor.

Subject Testimony

72. During his interview, **ROSS** testified that “he never acts in a supervisory role.” He did state that when **REYNOLDS** is absent or out of the office, he acts as the ISSM.

73. **ROSS** testified that he knew why he was called in for an interview:

“Sure. I’d say I’m here today because **Teri Becker** and myself are in a relationship. We have been for almost five and a half years now. The branch manager has been well aware of it. He’s okay with it. The division manager, **Jim Parsch**, the **CIO**, has been well aware of it. They both sat down and talked to me and said they have no issues with it. And I’ll go ahead and state my opinion that when...I could probably tell you right now who made the Hotline call. Back in the spring, **Norris** removed personnel from our branch. That personnel member had a wife that worked in the same room. When he was removed that morning he caused quite the scene. His wife went in to the COR, contracting COR, **Joe Christley**, and told him that **Francis** and **Teri** were in a relationship and she was going to report it. And **Joe** came to me and told me to watch my back and **Norris** also came to me and said the same allegation was made and not to worry about it because everybody knows about it. This has not been a hidden fact.”

74. **ROSS** stated during his interview that “everybody knows about it (his relationship with **BECKER**).” However, **ROSS** could not produce any documentation to support this claim. Further, **ROSS** did not disclose the relationship on his own.

75. **ROSS** testified that he has been Deputy ISSM for two years. He stated that he sits in the cyber security area of building **3173**, on the second floor of the building.

76. **ROSS** stated that he primarily works with one CSC contractor, but that others are in his branch. During his interview, **ROSS** testified that he meets with CSC leadership to discuss the

work of the contractor employee **ROSS** works with.

77. **ROSS** stated during his interview that relationships between government and contractor employees are appropriate. However, he further stated that someone off the street coming in would have no reason to question him because they would not know he was in a relationship with **BECKER**.

78. When asked if they kept the relationship quiet, **ROSS** provided that he and **BECKER** come to work, do their jobs, and go home. **ROSS** stated, "Personal life is personal and work life is work life."

79. When questioned about actions involving the contract, **ROSS** stated, "I don't deal with any contractual stuff whatsoever." When questioned further about his CSC involvement, **ROSS** maintained, "I don't have any involvement in anything."

80. During his interview, **ROSS** stated that he knew who originated the hotline complaint. **ROSS** stated that the complaint was retaliatory due to a contractor employee losing his job with CSC. **ROSS** expressed concern that the hotline complaint would prevent **BECKER** from receiving a government position in the future. **ROSS** opined that the complaint was harassment and unjustified because his management already knows about his relationship with **BECKER**.

81. When asked if he thought his relationship violated anything, **ROSS** responded that he did not. **ROSS** also stated that he had read the rules. When questioned in detail, **ROSS** could only provide that he had read the "stuff that ethics puts out, that our office puts out, about relationships with contractors." **ROSS** had no specific knowledge of or documentation of policy or regulation.

82. **ROSS** was questioned further about the need to read policy regarding his relationship with **BECKER**. His response was as follows:

91. ...then why would you read everything? I didn't say I thought you read everything. I said, "Why would you read everything?"

Because when **Nikki West** said she was going to call the Hotline, I'm going to read up and find out what she would have a beef with.

92. So you had concern that you might be in violation of something.

No. I had concern **Nikki West** is a complete bitch and would come after me because her husband lost [his] job. *That's* what I had concern with. That my contracting COR came to me and said the exact words, "Watch your back." That's what I had concerns with. That my supervisor told me that **Nikki West** was seeming like she was out to get me. That's what I had issues with. Not the fact that what my job entails, because my job doesn't entail anything. It doesn't entail anything that would create impartiality or me giving CSC work because I don't have the power to do any of that type of stuff.

83. The I/O questioned **ROSS** regarding his management's view of him and his position. **ROSS** stated that his management has faith and trust in him. **ROSS** also testified that his management has trust in his opinion on matters.

84. ROSS was questioned regarding his ability to sign documents for BECKER. Initially, he denied the ability to sign anything, but later admitted that in REYNOLDS' absence he had signed access requests for BECKER.

85. ROSS continually stated that Greg WEST's departure was a "big deal" and that security almost had to be called to "drag somebody out of our building." ROSS maintained that both CHRISTLEY and REYNOLDS had advised him to "watch his back."

86. At one point during his interview, ROSS prepared to terminate the interview. ROSS stated that he had done nothing wrong, and therefore, was going to leave. The I/O informed ROSS that he could leave at any time, but that the investigation would continue regardless. ROSS eventually sat back down and continued his interview.

87. ROSS was asked about the need to file an OGE-450. Once explained what an OGE-450 was, ROSS answered that no one had requested he sign one.

88. During the interview ROSS was questioned about impartiality. ROSS admitted that due to this process, somebody reasonably looking at the situation would have cause to question his impartiality in the matter due to his relationship with BECKER.

89. ROSS denied having discussions with BECKER about keeping the relationship quiet. ROSS also stated that he felt like "this type of stuff...it's Crane" (in reference to relationships). ROSS continued that it is the norm stating, "my goodness...My mom worked here, my stepdad works here, cousins work here."

90. ROSS was questioned regarding working in proximity to BECKER. He stated that there was a [cubicle] wall that separates them, so he cannot actually see her. When asked if the proximity drew more questions than if they worked in separate rooms or separate buildings, ROSS answered, "Maybe so. Maybe not."

Analysis

91. Evidence indicates that BECKER and ROSS have been in a relationship for approximately five years and live together. Testimony shows that ROSS fulfills the duty of "Acting" Branch Manager when REYNOLDS is absent, which gives ROSS positional authority over BECKER. BECKER testified that ROSS has signed documents for her in the past. According to the testimony of the CSC Program Manager S. DAVIS, ROSS has interaction with contract N00178-04-D-4030-FC11 by performing the audits to ensure CSC is compliant. She further testified that she deals directly with ROSS regarding contract matters because there is a CSC employee who performs work for ROSS. BECKER is employed on the same contract and sits directly outside of ROSS's office. Based on the testimony of parties involved, it can reasonably be inferred that ROSS was being untruthful when he continually stated that he has no authority to take action that can have an impact on BECKER.

92. The NSWCC Crane agency designee did not have documentation proving a review of the

relationship. REYNOLDS stated that he became aware of the relationship via PARSCH. The participant, ROSS, per 5 CFR 2635.502, did not inform REYNOLDS of the relationship. Further, even after discovery, there was no review of the relationship using the required factors from 5 CFR 2635.502. In addition, at least one person (Nikki WEST) questioned the relationships impropriety to the COR, who in turn questioned the relationship to the branch manager, REYNOLDS. Per 5 CFR 2635.502, these individuals would be considered "reasonable person(s) with knowledge of relevant facts" who questioned ROSS' impartiality.

93. According to ROSS' PD, he is a Lead Compliance/Auditor. ROSS is expected to act on behalf of the Certifying Authority for the C&A auditing of IT systems and networks and provide significant input into the auditing of C&A packages that have been submitted for C&A. ROSS is to ensure rigorous application of IA policies, principles, and practices in the delivery of all information technology (IT) services. S. DAVIS testified that she discusses areas of compliance with ROSS as it relates to the work CSC performs. ROSS and S. DAVIS both testified that a member of CSC performs work for ROSS. Based upon his PD description as Lead Compliance/Audit, and the fact that a large percentage of Code 104, and specifically ROSS' code, 1043, (approximately 59% and 53% respectively) are contractors, ROSS' job directly involves auditing the CSC workforce for compliance to government policy and regulation.

94. It is reasonable to infer that ROSS would be affected if BECKER were to lose her job with CSC. ROSS's financial interest may not be impacted, but the financial interest of a member of his household would be. ROSS denied being involved with the CSC contract. However, witness testimony from REYNOLDS, S. DAVIS and BECKER, confirms that he does have connection and involvement with the CSC contract that his live-in girlfriend is employed on. Therefore, it would be of consequence to ROSS if his cohabitant, BECKER, were to lose her employment.

Conclusion

95. Allegation #2 is substantiated.

Recommendation

96. That ROSS be held accountable for maintaining an ongoing conflict of interest with a contractor employee, violating 5 CFR 2635.502.

97. Allegation #3: That James PARSCH, Division Manager, NT-0802-06, Code 104, NSWC Crane, provided non-public information to contractor company CSC, by maintaining private meetings with CSC personnel, and by inviting CSC employees to government meetings and providing information that renders them competitive advantages in contracting, in violation of 5 CFR 2635.703.

Applicable Standard

98. Use of Non-Public Information, 5 CFR 2635.703 provides in part as follows:

An employee shall not engage in a financial transaction using nonpublic information, nor allow the improper use of nonpublic information to further his own private interest or that of another, whether through advice or recommendation, or by knowing unauthorized disclosure.

Findings of Fact

99. The IO obtained an e-mail from SEAPORT-e, attached to contract N00178-04-D-4030-FC11, and authored by COR Rhonda RUSH on 19 August 2013. The e-mail details actions taken by PARSCH regarding PARSCH's involvement with the CSC contract and his interactions with contracting staff monitoring the CSC contract. The e-mail complained that the COR was prohibited by PARSCH from attending meetings regarding the management of contract N00178-04-D-4030-FC11.

a. On Monday, 12 AUGUST 2013, RUSH stated that she tried to attend a meeting between PARSCH and a CSC employee concerning contract N00178-04-D-4030-FC11. RUSH further stated that PARSCH would not allow her to attend the meeting.

b. RUSH stated that private meetings between an RTA, such as PARSCH, and CSC contractor leadership, is inappropriate without someone from the contracting office at NSWC Crane in attendance. She further stated that PARSCH had been holding such private meetings on a regular basis for quite some time.

c. On Monday, 19 AUGUST 2013, RUSH stated she again attempted to attend a meeting between PARSCH and a CSC employee. Again, she was prevented from attending by PARSCH. RUSH notified PARSCH that the contracting officer had stated no more meetings should occur between the RTA and contractor without representatives from the contracting department present. RUSH stated in the e-mail that PARSCH ignored RUSH and closed the door on her.

d. RUSH filed a complaint with the contracting department. This complaint was discovered via the e-mail obtained by the IO, as it was attached to the contract noted above in the SEAPORT-e contracting system.

100. COR RUSH retired in 2014 and was replaced as COR by CHRISTLEY.

101. As of May 2015, CSC is now required to keep minutes of any meetings that they attend involving the contract. PARSCH and each branch manager under his supervision have been documented maintaining private meetings with CSC representatives.

Figure 7: Example of minutes documenting private meeting between **PARSCH** and **S. DAVIS**.

May 28, 2015 (300-330) – Jim Parsch office – Treci Dimas, Sue Davis and Jim Parsch.

IU School of Informatics – Sue Davis and Treci Dimas met with representative from IU School of Informatics and Computing (SOIC) on May 27 regarding pursuing a partnership with CSC and IU SOIC in an effort to obtain talent for possible IT positions and potential internships. This Meeting was very productive, IUSOIC representative was not familiar with NSWC Crane and the significant impact they had on the Warfighter capability. CSC plans to continue communications with IU SOIC rep and pursue this partnership.

CSC recently acquired a company called Autonomic Resources (AR), which specializes in cloud infrastructure with a focus on delivering FedRAMP and DISA-authorized certified cloud solutions.

CSC released news on 05/19/2015 regarding a plan to separate CSC into two publicly held, pure-play companies: one to serve our U.S. public sector clients and one to serve our global commercial and government clients. The target closure for the separation is October 2015, subject to regulatory and other conditions. Be assured things remain business-as-usual, with no changes to our contractual terms, your CSC relationships, current commitments, or delivery teams and cadence. In fact, the result will allow us to be a nimbler, more responsive and more innovative partner to you. (Sue Davis had shared this information with Jim verbally on 05/20/2015 and Treci had sent Jim an email on 05/20/2015 with this information – this was just a follow up with Jim to ensure he had no questions).

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Figure 8: Example of private meeting between **PARSCH** and **S. DAVIS**.

June 8, 2015

Sue Davis met with Jim Parsch in Jim's office and discussed the following:

Tina Kippenbrock – instead of waiting till June 18, 2015 to move Tina to NMCI BUPOC (TI-1E) from Help Desk (TI-1D) full time – Tina would begin working ½ day supporting TI-1E as soon as June 9, 2015 as workload allowed. (Jim had requested via Joe Christley

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and Joe had provided to Sue via email that at least a two week transition for Tina to work with her back fill Cheryl Lundy).

C2E environment - as discussed at the PMR in May 2015, was there interest in possibly utilizing Scott Beason for this effort since Timothy Friest had resigned from CSC. Sue had reached out to Scott and Sue was going to follow up with Seth on requirements and further pursuing this.

Dan Ireland and Ryan Johnson would be moving to Govt positions effective June 15, 2015. Jim was working with Joe on the requirements /tasking for IT Admin – Remediation Analyst support for AMAG or for possible direct line code support for sustainment of assets – this would be additional requirement for TI-2D. (The requirements for Sr System Admin on TI-2G (Dan Ireland) and TI-2H (Ryan Johnson) would not be back filled). Joe Christley via email communicated this with Sue Davis and CSC provided a revised ROM to add the additional IT Admin – Remediation Analysts to TI-2D since there would be an increase in cost.

Sean Obrien would be moving to Govt effective June 29, 2015. (Last day with CSC Sunday, June 28, 2015 – due to workload that had to be completed). Sean supported TI-2A and no back fill is requested for this position.

Chris Hatfield was also planned to move to Govt but date has not been confirmed. Security clearances for new hires – we discussed the process and the requirements to obtain a CAC card as provided by Bill Stoke. NSWC Crane Security, during the PMR held in May 2015.

Figure 9: Example of private meeting between S. DAVIS and ERXLEBEN (Branch Manager).

June 17, 2015

Sue Davis phonecon with Seth Erxleben regarding C2E environment and utilizing Scott Beason as Seth had indicated he was interested in pursuing this at the PMR (Sue had tried to meet with Seth face to face but was unable to). Sue had talked with Scott and Scott was interested in assisting with this effort. (Scott had worked for CSC previously and supported the IT Division on the FC09 task order). Sue would like for Scott to be provided the requirements document for this effort, and then have Scott to come to NSWC Crane and meet with Seth and his team (this would be at no cost to the Govt). Scott is now working for Ancott Inc, a SVODB, and Sue was exploring various avenues on short term and long term avenues for obtaining this support but Sue wanted Seth to be aware that cost per hour estimate was \$175-\$200 (estimate only). Seth confirmed he wanted to pursue this and Sue set up a meeting for Seth and Ric Litts to meet Scott, Sue and Kim Barrett on July 14, 2015 from 1000 to 200 in Seth's office. (The requirements document was provided to Scott via Ric Litts).

Sue informed Joe Christley of this discussion with Seth and the plan forward via phone on June 19, 2015.

Figure 10: Example of private meeting between S. DAVIS, REYNOLDS, and Kelli BELL.

July 9, 2015

Sue Davis met with Kelli Bell and Norris Reynolds in Norris's office, follow up to June 30, 2015 meeting. The following was discussed:

Back fill for Bruce New – TI3 Subtask A – in the meeting on June 30, 2015 with Sue and Norris and Kelli a backfill for Bruce New was requested and back fill would be Lawrence (Sagent) with a start date of mid to late August. However, after further discussions among Norris and Kelli and further review of the work load they decided no back fill for Bruce New was required and Norris was going to inform Joe Christley of this.

Norris and Kelli also informed me that they thought based on further review of the current work load they could reduce the C&A staff by one more. I told them that we did have a couple of openings currently and that I was still working with Joe Christley on the TI-1 Subtask F effort and would get back to them after further review and discussions of workload requirements/vacancies/staffing with Kim and Mindy.

Sue was to inform CSC Project Lead, Mindy May of the conversation she had with Norris and Kelli and Sue was unable to talk with Mindy until Tuesday, July 7, 2015.

Figure 11: Example of private meeting between PARSCH and S. DAVIS.

July 13, 2015

Sue Davis met with Jim Parsch in Jim's office and discussed the following:

C2E environment – Scott Beason will be at NSWC Crane tomorrow to meet with Seth and Ric Litts regarding the requirements to stand up the C2E environment. This is no cost to Govt.

Security Clearances – there was a breach in the DSS EQIP System – system used to process security clearances. System will be down for at least 6 weeks (end of July) and as of right now no new clearances can will be processed. Transfers can still be completed. (This is for both the Govt and Contractor employees).

TI-1 Subtask F – Analyst hours reduced to 30 hours per week, however, Seth (RTA) was working/reviewing requirements and was likely going to request that the 10 hours be filled as well as additional DADMs support as well as additional NAVIDAS support.

TI-1 Subtask A – Marilyn Schroeder is retiring and back fill has been requested for full time support instead of part time support. Kevin Harvey (Sagent) will be starting on July 20, 2015.

TI-2 Subtask C – back fill for Dennis Sego – Dennis last day is July 17, 2015. Jacob Myers who is currently supporting the help desk (TI-1 Subtask D) is interested in this position.

TI 2 Subtask D – new requirement for two IT Admin RA AMAG support. CCS has submitted ROM.

TI-3 Subtask A – in discussions Sue had with Norris and Kelli on July 9 – there was no longer a need for a backfill for Bruce New.

TI-15 – back fill for Dan Pilarski who is out on medical leave – back fill has been requested by RTA and CSC is conducting interviews.

TI-21 – two Sr Analysts– candidates interviewed and selection in process - estimated start date is August 3, 2015.

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Figure 12: Example of private meeting between CSC and ERXLEBEN.

July 14, 2015

Sue Davis, Kim Barrett and Scott Beason (Ancott) met with Seth Erxleben and Rick Litts in Seth's office and the following was discussed:

C2E environment – Scott Beason made a visit to NSWC Cra to meet with Seth and Ric Litts regarding the requirements to stand up the C2E environment. This is no cost to Govt.

It was agreed that the majority of this effort can be performed remotely by Scott. There is an apps stig that must be followed and Ric will provide this to Scott once approval is finalized through contracts etc. Source code and version control (TFS) will be utilized and Scott will provide the source code. There may also be a couple of others efforts added to the requirements but Ric/Seth unsure at this time.

Sue explained to Seth that for this short term/temporary effort Scott will be a casual CSC employee; long term plan is to add Ancott Inc as a subcontractor to the CSC team on FC11 task order. If this could not be accomplished on the FC11 Task Order they would be part of team for the follow on. (The paperwork is in process to add Ancott, INC.)

Sue had discussed with Seth the costs for Scott on June 17, 2015 phonecon – prior to having Scott making the visit to NSWC Crane to discuss the requirements.

Actions: Seth was going to get the requirements documentation to Joe Christley – Subtask H requirements would need to be revised.

Sue was going to work with Scott on a cost estimate for the completion of this effort and also work with Scott and CSC Contracts to initiate paperwork to add Ancott Inc as a subcontractor.


Figure 13: Example of CSC attendance at Code 104 “All Hands” meeting.

August 11, 2015

Attended the IT All Hands meeting.

102. The I/O obtained “All Hands” presentations for meetings conducted in May and August of 2015. Presentations detail discussion of the “IT Playbook”, “Business Plan”, “RDT&E Lab Architecture”, as well as status updates for IT operations, IM Services, and IA/Cyber Security.

Figure 14: Example of “All Hands” meeting content, May 2015.




RDT&E Lab Architecture

- A few years ago NSWCC Crane moved from 14 TCs to 6 TCs (3-Mission, 3-Product)
- IT Systems (C&A Packages) support Labs which support TCs which support Crane's Mission!

<ul style="list-style-type: none"> • Current: <ul style="list-style-type: none"> - 27 Labs based on 14 TCs - Most Labs still relevant to 6 TCs - Most Labs tied to voided TCs - Most Lab descriptions inaccurate - No architectural tie to systems - 2011 Boundary review helped reduce from 100+ Systems to 50+ - Systems have grown to 76 - System architecture solid, but does not have growth limiter 	<ul style="list-style-type: none"> • Future: <ul style="list-style-type: none"> - 4 Labs: 3 based on 3 MFA TCs (EW, <u>StM</u>, and <u>SpM</u>) and 1 Enterprise - Architecture will tie together TCs (all 6), Labs, and Systems - Defined System architecture (TC/Org-Boundary-Classification) will limit C&A growth (albeit to ~130) - Current C&A footprint using this architecture: ~50 Systems - Example: Expeditionary Electronic Warfare Classified Standalone System <ul style="list-style-type: none"> • CRWXQ-SAH-C
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Distribution Statement Pending

Figure 15: Example of “All Hands” meeting content, August 2015.



Becoming a NOC

- Process for becoming NOC (note: strategic look, not in detail: who should map out our direction, tasking, etc)
 - We need to become what they (WARCEN Network Consolidation Team) need us to be
 - We need
 - Requirements/Statement of Work
 - Budget/Financials
 - Charter
 - Will need authority/direction from Jim Setzer/WCNC Team
 - Recommendation: bring Jim Setzer here for a week to discuss NOC and what we need, etc
 - Need to address stumbling blocks: planning, ADA, unauthorized commitments, etc

Distribution Statement Pending

103. NSWCC Crane Contracting Department provided milestones for the follow-on to N00178-04-D-4030-FC11. As follows:

- a. May/June 2014 - Initial discussions regarding need for follow-on contracting action.
- b. 26 August 2014 – First formal planning meeting where contracting strategy and milestones were discussed.
- c. 28 October 2015 - Solicitation issued. Currently proposals are due 8 December 2015.
- d. 29 April 2016 - Current planned award date.

104. The I/O obtained and analyzed CPARS data. The initial CPARS rating for 2014 (input February 2015) contained rating ranging from “Poor” to “Satisfactory”. However, the ratings were later amended by **CHRISTLEY** and range from “Satisfactory” to “Exceptional”. Excerpts from the 2014 CPARS ratings follow.

Figure 16: Amended 2014 CPARS ratings (Dated 5 MAY 2015).

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Evaluation Areas	Past Rating	Rating
Quality:	N/A	Satisfactory
Schedule:	N/A	Satisfactory
Cost Control:	N/A	Satisfactory
Management:	N/A	Satisfactory
Utilization of Small Business:	N/A	Exceptional
Regulatory Compliance:	N/A	N/A
Other Areas:		
(1) :		N/A
(2) :		N/A
(3) :		N/A

This section intentionally left blank.

Figure 17: Example of CPARS comments (Dated 5 May 2015).

MANAGEMENT: TI 01: Very happy with management. They do a great job filling gaps. TI 02: The contractor struggles to fill vacant positions. TI 04: There are no issues. TI 15: The contractor seemed to have better management practices this year. In previous years, the contractor was unable to provide up to date monthly reports for financial updates and had trouble providing burn rates. The contractor appeared to improve this year. TI 17: The contractor's management communicated the requirements and updates to the RTA. TI 19: There has been no significant contact with any managers. TI 20: Voicemail and email has gone unanswered. There has been no significant interaction with the RTA. There was no follow-through on
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https://cpars.cpars.gov/cpars/app/appviewevaluation_input.action?id=958027&requestTyp... 9/29/2015

CPARS/FAPIS

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invitation to meet and greet. THE FOLLOWING SUGGESTIONS FOR IMPROVEMENT HAVE BEEN ADDED SINCE THE INITIAL CPARS SUBMITTAL AND THE CONTRACTOR'S REVIEW: 1. Requests for concurrence/critique of deobligations need a faster turnaround time to meet customer demands. 2. All CDRLS need to be submitted on time. Overall CDRL submissions are of quality and timely. 3. CAC requests need to be turned around in a more consistent manner. Overall CAC issues have been minor. 4. It is requested that the Program Manager (PM) provide responses to issues via email even when the issues have been discussed face to face. It is important for the GOV to document the way ahead this way. The PM still owes the contracting department email regarding an employee being consistently late for VTC tasking. The issue was remedied by moving employees around, but the GOV did not receive the email requested to document the situation adequately. Multiple emails were sent no replies were received. The COR submitted information pertaining to a customer's perceived lack of service and requested the contractor management's resolution and follow-up. Again, no response was received. 5. There is a issue with the contractor's sudden change in leave policy. This resulted in a surge of leave use, subsequent gaps in service and availability as well as a noticeable impact on the workforce's moral. 6. It is requested that all discussions with GOV personnel regarding the contract, backfills and any other issues related to performance include either the COR, Contract Specialist or KO. THE FOLLOWING AREAS OF IMPROVEMENT AND POSITIVE FEEDBACK HAVE BEEN ADDED AFTER THE INITIAL CPARS SUBMITTAL AND CONTRACTOR REVIEW: 1. New hires have been receiving CACs before beginning performance. 2. The Program Manager has been proactive in regards to meeting regularly to discuss contract ceiling. 3. Management has been flexible in dealing with many changes regarding TI 01, the Surge CLIN (TI 22) and Option Year two.

Figure 18: Email requesting RTA input for CPARS.

-----Original Message-----

From: Christley, Joseph H CIV NSWC Crane, CXML

Sent: Tuesday, March 11, 2014 11:25 AM

To: Erxleben, Seth E CIV NWSC Crane, BXPB; Yochum, Daniel CIV NWSC Crane, BXPB; Reynolds, Norris G CIV NSWC Crane, BXPB; King, Jarad CIV NSWC Crane; Mann, Angela CIV NSWC Crane, Flight Engineering Br. Mgr, GXML; Johnson, Robert O CIV NSWC Crane, BXLNL; Pandya, Bhavisha P CIV NSWC Crane, GXPM; Buzzard, Kenneth E CIV NAVSURFWARCEMDIV Crane, JXSN; Phelps, Lawrence D CIV NSWC Crane, JXRL; Fink, Larry R CIV Surveillance & Electronic Support Division WXT, WXTB; Dorsam, Jessica R CIV NSWC Crane, JXQ

Cc: Schmidt, Paul L CIV NSWC Crane, JXSN; Parsch, James T CIV NSWC Crane, BXP

Subject: RE: 4030 FC11 CPARS - Eval Required

Importance: High

RTAs,

I am still in need of the subject CPARS evaluation. Can you complete the form with comments and return it to me today?

R/

Joe Christley

Acquisition Management Specialist

JSORD Acquisition Management Branch (CXML)

300 HWY 361 Bldg 3291

Crane, IN 47522

Harnessing the Power of Technology for the Warfighter



1

Figure 19: Example of RTA evaluation for CPARS

Management

4

Please provide comments: Contract is slow to fill job vacancies. Some positions are taking 4/6 months to be filled. Filling positions will less than qualified personnel.

Figure 20: Example of RTA evaluation for CPARS

Schedule

5_____

Please provide comments: As with the last period of performance, the contractor company has struggled to fill vacant positions. Especially where highly technical skills are required. For example, a Network Security position requiring incident handling sat vacant for 7 months. Once filled, it was filled for only 3 months before becoming vacant again.

Figure 21: Example of RTA evaluation for CPARS

Management

4_____

Please provide comments: Management may be seen in the area only about once a week. When concerns are raised, such as excess time being spent in a non-productive fashion, corrections seem to be either non-existent or non-effective. Employee retention is inconsistent as shown by a high turn-over.

Witness Testimony

105. Donal DAVIS, NSWCrane SEAPORT Division Manager, was interviewed concerning PARSCH's actions with contract N00178-04-D-4030-FC11. D. DAVIS testified that there were issues with PARSCH meeting with CSC personnel without the COR present. D. DAVIS testified that this is not "in and of itself necessarily wrong" but that contracting and the COR (at the time RUSH) were concerned that there were action items coming out of the meetings. Both the COR and contracting were concerned that CSC was taking action on items from these meetings without the knowledge of the COR or contracting. D. DAVIS stated that meetings that were contractual in nature, that might cause CSC to move or act, were meetings the COR should attend.

106. D. DAVIS testified that contracting had told PARSCH not to have meetings that direct CSC to go do something because that has to be in the realm of the contracting officer and the COR. (Note: The IO discovered first documented issue with the meetings was August 2013; however, the issue was persistent prior but undocumented officially.) D. DAVIS further stated that it was the COR's perspective and D. DAVIS' own perspective that the meetings PARSCH

was having could not occur without some sort of action occurring. **D. DAVIS** stated that his guidance to **PARSCH** was to protect himself and not be in a position where CSC went off and did something that incurred costs.

107. **D. DAVIS** was questioned about the Source Selection and Evaluation Review (SSER) for the FC11 award in 2013. He testified he did not know the participants off-hand, but later provided documentation to show that **PARSCH** was the chairman of the SSER during the last contract award (March 2013).

108. **D. DAVIS** testified that **PARSCH** had issues with CPARS ratings for 2014 that were performed in 2015. When questioned about the CPARS process, specifically **PARSCH's** role, **D. DAVIS** testified that **PARSCH** was not the assessing official, and therefore, did not have approval authority over the final CPARS rating.

109. **D. DAVIS** testified that when the CPARS ratings for 2014 came out, he did not hear anything negative from anyone involved in **N00178-04-D-4030-FC11** except for the contractor and **PARSCH**.

110. The I/O interviewed **Richard MCGARVEY**, **NSWC Crane Deputy Chief of Contracting**, regarding non-public information released to single offerors of contract competition. **MCGARVEY** stated that data integrity of the contracting award process is of utmost importance. He furthered that SSER members must complete DAWIA training regarding contract award, sign an NDA, and be counseled by Legal prior to performing work on a contract award. **MCGARVEY** also stated that government employees who are not involved in the actual contract selection are still expected to keep information secure.

111. **MCGARVEY** stated that in his own department, contractors do not attend staff meetings. He also stated that inviting contractor employees to an event such as the department Christmas party took some consideration because the contractors should be treated differently than the government employees.

112. The I/O questioned **MCGARVEY** about remedying the release of non-public information to a single offeror. **MCGARVEY** stated that a remedy would depend upon the type and amount of information released. In addition, **MCGARVEY** stated that a solution could range from providing the same information to the other offeror's to restricting the offeror who received the information from competing on the contract award. **MCGARVEY** stated that the release of non-public information should be reported to contracting so that the contracting department and Legal can review the situation for action.

113. **Danielle TALBERT**, **NSWC Crane contract specialist**, was interviewed regarding **PARSCH's** activities on **N00178-04-D-4030-FC11**. **TALBERT** has been contract specialist of this contract since May of 2013, two months after FC11 was awarded. **TALBERT** testified that there have been issues of the CSC **Program Manager**, **Sue DAVIS**, meeting with **PARSCH** when the contracting department did not feel that it was appropriate. **TALBERT** stated that, initially, the COR tried to handle the situation by sitting in on the meetings when she heard about them. However, the COR (at the time **RUSH**) was asked to leave, or removed from, each meeting she

tried to attend.

114. **TALBERT** stated that there was no regulation preventing the meetings from occurring. However, the CSC PM told the contracting department that even she was uncomfortable meeting alone with **PARSCH**. **TALBERT** stated that after several unsuccessful attempts to curb the meetings, the contracting department wrote a new CDRL for **N00178-04-D-4030-FC11** that requires CSC to track and keep minutes for any meeting with government personnel.

115. **TALBERT** testified that since May of 2015, the contracting department has been receiving meeting minutes from CSC as part of their Monthly Status Report (MSR). **TALBERT** stated that the goal of the new CDRL requirement was to finally obtain the information that CSC and **Code 104** discussed during their private meetings. **TALBERT** testified of the frustration that the meetings caused contracting due to "all the technical people [that are] aware of things that we had going on that we [contracting] had not even yet been informed of but were responsible for taking care of."

116. When asked about the level of trust in the meeting minutes, **TALBERT** responded, "For the most part, I've actually put quite a bit, because there's definitely stuff in there that I would think they would have wanted left out but still put in to begin with." Further, **TALBERT** explained that an example was a meeting where the CSC financial person contacted **PARSCH** directly to discuss teaming with a university. **TALBERT** stated that **PARSCH** would have no authority to discuss that type of thing with CSC.

(Figure 7 in the Findings of Fact section reflects the meeting **TALBERT** is referring to in her testimony.)

117. **TALBERT** stated that (hearsay) **PARSCH** and **Sue DAVIS** "spend a lot of time together." **TALBERT** stated that the contracting department had been informed that, "...they had lunch together the day right before the award was made on the contract, which had seemed suspicious because CSC didn't do very well on the previous contract."

118. When interviewed, **Francis ROSS** testified that **PARSCH** meets mainly with **Sue DAVIS**. **ROSS** testified that the meetings **PARSCH** has with **DAVIS** are private and no one else attends.

119. **ROSS** testified that **DAVIS** and other CSC personnel are in attendance at any **Code 104** meeting to which they have been invited. **ROSS** further stated that **DAVIS** and other CSC personnel generally are there for information and do not engage. **ROSS** further stated that the COR and contracting department personnel are not involved in these meetings.

120. **Greg WEST** was interviewed concerning **PARSCH** and his actions with contract **N00178-04-D-4030-FC11**. As follows:

By **Mr. Hobbs**:

35. You also made mention during your other interview that there was some sort of relationship between **Jim Parsch** and **Sue Davis**. Can you talk about that one?

That is a perceived relationship. The perception is shared by many. It's beat into

your head at different times, especially about **Mindy May**, you know, that you shouldn't share rides with the government; you shouldn't ride over to the chow hall or do different things and this, that, and the other, but on numerous occasions you saw **Mr. Parsch** get out of **Sue's** truck. The way that they interact...he invites her to all of his all-hands meetings, which I think puts competition and even the ability to speak freely in jeopardy because a lot of the times he's talking about contract status and things of that nature and there's...not only should the contractors not be there but you probably shouldn't have the contract leads and things there because they are getting inside information that competitors on that contract will have so it's more...it just seems a little, to me, friendly and that's kind of just a shared perception among many both government and contract employees, but again, other than them sharing rides to meetings and things like that, I mean, you're not talking dancing under the moonlight or anything. It just seems like a very friendly relationship.

121. **Greg WEST** went on to describe interaction level and information use from meetings **PARSCH** has held:

43. So to your knowledge did **Mr. Parsch** ever provide **Ms. Davis** with any information that could have helped CSC in the contract arena?

Oh, I believe so because on numerous occasions when he holds his all-hands he talks about strategies and budgets and the government vision and how they're planning to do things and things, which is all...I write a lot of RFP responses and particularly when we did the re-compete, I actually wrote most of the technical side of the re-compete, and I found the information that **Mr. Parsch** would share in the meetings to be invaluable because it told me what he was looking to ramp-up. He told me where he was going to be focusing his efforts, you know, what his strategy was for the information technology division. So, not even knowing what they discussed behind closed doors, just attending those all-hands, **Mindy** and **Sue** walked out of there with a wealth of knowledge that's not shared in any way, shape, or form with the competitor but there's enough information there that helps you understand the corporate strategy, the budget, the finance, you know, the future focus, the manpower strategies; all of that because I don't know that he does it intentionally, I just don't know that he realizes what he's sharing. If it was just his government employees it would be fine but I think sometimes what he shares is not necessarily...or he'll have, actually, several of the managers give different presentations and it's much like security classification level. It's not necessarily that you have a schedule if you have something else, it's the aggregate of the data that gives you a great blueprint for where this customer is going and what their strategy is and what their budget is and what they're planning to do and when it comes time to writing a response to an RFP, they may not remember that they gave those four slide shows three quarters ago but you walk out of there with enough information to give them an 'a-ha' moment when they read your response for the contract solicitation.

44. So then not only did **Ms. Davis** benefit but also any other employees that were invited to those all-hands?

Sure. I mean, knowing that I could write RFP, and the reason I want the contract was a) I was frustrated over not getting paid, but **Sagent** had already informed me that if I stayed it was expected that I would help them write on this next contract and I refused. I said, "I can't, with a clear conscience help CSC win another battle on this contract. I can't do that to the people that I work with and I can't do that to myself" and that is why I took a pay cut and left that job. I was actually doing a job that I don't even enjoy because I couldn't put myself in a position that I would have to

support CSC potentially winning the contract knowing that they already have Ms. Becker, you know, the inside source of information, you know, that Francis is going to make sure she gets...and things of that nature so when it comes to that I don't even know that any of that happens maliciously, but maybe it does.

122. Jennifer ARNEY was interviewed regarding her knowledge of PARSCH's activities. ARNEY stated that she saw PARSCH and S. DAVIS leave together one or two times. ARNEY also stated that she witnessed S. DAVIS in building 3173 more frequently in 2013 when FC11 was about to be awarded.

123. ARNEY testified that she saw S. DAVIS enter PARSCH's vehicle and leave the building 3173 parking lot. ARNEY also testified that S. DAVIS would show up at odd hours to meet with PARSCH and would use side entrances to the building. In ARNEY's opinion, she felt like S. DAVIS tried to hide the fact that she was meeting with PARSCH.

124. Joe CHRISTLEY, COR for N00178-04-D-4030-FC11, testified about PARSCH's interaction with the contract and S. DAVIS. When asked about push-back for the 2014 CPARS, CHRISTLEY responded that CSC did not agree with the rating received for 2014. CHRISTLEY also testified that PARSCH came to him about the poor ratings. CHRISTLEY opined that PARSCH was not in the CPARS approval chain. Therefore, CHRISTLEY testified that PARSCH had to find out about the ratings from CSC employees or leadership.

125. CHRISTLEY testified that the CPARS ratings he gave to CSC were poor. CHRISTLEY provided documentation from the RTAs of N00178-04-D-4030-FC11 that outlined CPARS ratings given by each RTA. Excerpts of those ratings were provided in the Findings of Fact section (Figures 16 and 17). CHRISTLEY testified that he based his ratings on the input of the RTAs.

126. When questioned about the new CDRL requirements, CHRISTLEY was asked in detail about the meeting minutes CSC is required to keep. When asked whether he should be aware of the items documented in the minutes, CHRISTLEY responded that he should. However, CHRISTLEY was unaware of the meetings taking place between PARSCH and S. DAVIS, or S. DAVIS and other Code 104 personnel. CHRISTLEY testified that he was not aware of many meetings that had been documented.

127. Sue DAVIS, Program Manager for CSC, was interviewed concerning PARSCH's involvement with contract N00178-04-D-4030-FC11. When asked about the performance of the COR, S. DAVIS brought up having issues with the way the 2014 CPARS were handled, and specifically CSC's ratings. S. DAVIS testified that her leadership was in town at the time of the ratings issue and they, along with S. DAVIS, met with PARSCH and specifically discussed the CPARS ratings. S. DAVIS further stated that no one from the contracting department or the COR were present for the meeting.

128. When questioned about the CPARS, S. DAVIS offered, "...that was a little problem because as a contractor that's how we're viewed. That's like your golden star when you're looked at."

129. S. DAVIS testified that her leadership from CSC likes to meet with PARSCH anytime they come to town. During the visit that the CPARS were discussed, S. DAVIS stated that her leadership was in town for the "Buy Indiana Expo."

130. S. DAVIS testified that the CPARS ratings were changed at some point after the meeting with PARSCH. S. DAVIS testified that PARSCH went to the COR, CHRISTLEY, after the meeting with CSC leadership. She also stated that she heard he had met with members of the contracting department, but was not positive on that fact.

131. S. DAVIS testified that she had witnessed PARSCH remove the prior COR, RUSH, from meetings. S. DAVIS testified that she had been present twice when RUSH was told to leave a meeting, or that she would not be allowed to attend a meeting.

132. The I/O questioned S. DAVIS about content of meetings with PARSCH, and why he continues to exclude contracting department representation. S. DAVIS testified that having contract representation present was "a rub" with PARSCH. She stated that PARSCH thought he could do everything on his own, and that he both did not have time to deal with contracting and did not have to deal with contracting. S. DAVIS testified that PARSCH felt like it was "his task order" and that he could do what he wanted.

133. S. DAVIS testified that she had shared a ride with PARSCH in her vehicle one time. She further stated she gave him a ride when they went to lunch together. S. DAVIS stated that she and PARSCH had been to lunch together, alone, one time. She further testified that he had been out to lunch with her and her leadership from CSC when they had been in town. S. DAVIS also stated that she had attended a hog roast hosted by PARSCH and had eaten with him there. S. DAVIS stated that she and PARSCH did not discuss work items when they had been out to lunch together.

134. S. DAVIS testified that during the time of the last award, for FC11, she was the PM for the previous task order, FC09. S. DAVIS further testified that she had discussions with PARSCH during the timeframe of that award. S. DAVIS testified that PARSCH told her there were multiple proposals received for the FC11 task order, and that they were "working through stuff." S. DAVIS testified that she did not know PARSCH was part of the SSER for FC11.

135. S. DAVIS testified that meetings with PARSCH are held in PARSCH's office.

Subject Testimony

136. On 26 OCT 2015, Jim PARSCH, Division Manager for Code 104, was interviewed as the subject of this allegation. PARSCH testified that he includes the COR of N00178-04-D-4030-FC11 in a bi-weekly IPT meeting. He further testified that CSC is not involved in that IPT meeting.

137. PARSCH testified that he has directed the COR to meet with CSC more frequently to improve his relationship with them. PARSCH then testified that he maintains meetings with Sue

DAVIS that do not include the COR. He further testified that no one from contracting is involved in the meetings either.

138. **PARSCH** maintained that his meetings discuss relationships. **PARSCH** described the meetings as “two leaders meeting about how things are going with the contract and how the workforce is.” **PARSCH** stated that he has taken the COR training and knows what kind of questions to ask and the behavior he should keep. **PARSCH** likened his meetings as similar to those held by the NSW Crane Technical Director, **RAZAVIAN**, and Deputy Technical Director, **SEIDLE**.

139. When questioned further about taking COR training, **PARSCH** testified that he had taken one class, and that it was “probably 10 years ago.”

140. During his interview, **PARSCH** maintained that his meetings do not violate any regulatory requirement. When questioned about violating the CORs responsibility, **PARSCH** was unaware of the current COR instruction and its requirements for contract monitoring.

141. The I/O questioned **PARSCH** of his awareness that CSC is required, per CDRL, to keep minutes of any meetings. **PARSCH** responded, “Including when they sit down with me?” **PARSCH** furthered that he, “...knew about the meetings thing but I just assumed that it was the IMS type meetings that we’ve had and those kinds of things – execution type meetings.”

142. When presented with minutes from a meeting, and questioned again about taking COR training, **PARSCH** testified he understood that committing to contract items was a violation. Using meeting minutes, the I/O presented **PARSCH** with such violations in the form of workload and personnel commitments. **PARSCH** stated that “at face value” it appeared as though there was a violation, but was unaware of “the context” of the meeting.

143. **PARSCH** was questioned of his knowledge of the COR instruction, NAVSEAINSTR 4200.17E. **PARSCH** was not familiar with the instruction. When asked about preventing the COR from executing to the instruction, **PARSCH** responded that he did not think he was preventing the COR from proper oversight by preventing the COR from attending meetings.

144. When questioned about preventing any COR from attending meetings, **PARSCH** responded that he, in fact, prevented COR attendance at meetings with CSC leadership.

145. When questioned further about the CDRL requiring CSC to keep meeting minutes, **PARSCH** reasoned that the minutes were due to CSC failing to follow through with requirements.

146. The I/O asked **PARSCH** for documentation memorializing talking to contracting concerning his private meetings with CSC. **PARSCH** answered that he did not have any documentation about those discussions.

147. **PARSCH** was questioned about his relationship with **S. DAVIS**. He stated that the relationship was “good” and that they are not friends outside of the office. **PARSCH** stated that

he has eaten lunch alone with S. DAVIS one time. He also stated that they did not go out in groups together. However, during later questioning, PARSCH admitted to going out in groups with S. DAVIS when CSC leadership, or subcontractor leadership, were in town. This directly contradicted his original answer. PARSCH stated that he may have ridden in her vehicle to attend the lunches. PARSCH later testified that his lunch with S. DAVIS alone was because "she [S. DAVIS] was requesting some, lack of a better term, mentoring from me on a government position." PARSCH further stated, "The lunch that I had with Sue Davis was she was looking for a mentoring session because she was considering a job with Command, and Command was working on a position that they thought she would be good at; what did I think about her taking that kind of position. That was *that* lunch."

148. When questioned about his response to the CPARS ratings for 2014, PARSCH responded that he had approached the COR, CHRISTLEY, due to the poor ratings. PARSCH stated that he "thought that we were going to get our lunch eaten in the CPARS ratings that we were proposing." PARSCH testified that he had discussion with D. DAVIS about the ratings.

149. The I/O questioned PARSCH as to whether S. DAVIS discussed the CPARS ratings with him. He stated that it was mentioned during his meeting with S. DAVIS and her superiors from CSC. However, PARSCH stated that at the time, he had not seen the CPARS.

150. When asked about his response, PARSCH testified that he did state that he "did not like to be blindsided by things of that nature." PARSCH stated that he discussed the CPARS with the COR in order to see the COR's words and ratings for CSC. PARSCH maintained that CHRISTLEY needed better "metrics" to rate CSC's performance. During a follow-on interview with D. DAVIS, contracting SME, D. DAVIS testified that he had reviewed the initial CPARS and found them to adequately describe CSC's performance. D. DAVIS stated that CSC had not improved year-over-year, and that the lack of improvement warranted low ratings.

151. PARSCH testified that the COR, CHRISTLEY, works for Seth ERXLEBEN, who works for PARSCH. PARSCH then stated that he is the COR's second-level supervisor. PARSCH acknowledged that CHRISTLEY would have felt pressure to change the CPARS since he is his second-level supervisor. PARSCH also testified that the change in CPARS would have benefited CSC as a company, and in effect, S. DAVIS as Program Manager.

152. When discussing the timeline of events that led to the CPARS rating change, PARSCH testified that CSC told him of the poor ratings and their displeasure; following that, PARSCH talked to CHRISTLEY about the ratings.

153. On 27 October 2015, the day after PARSCH's subject interview, he returned to CER the following day voicing concerns. NAVSEAINSGEN facilitated a meeting via teleconference, and NSWC Crane CER personnel attended. PARSCH was concerned with the nature of the investigation and the role the CER office and assigned investigators played.

154. During the follow-on meeting, PARSCH also expressed concern for his employees. NAVSEA personnel and the I/O explained the process to PARSCH in detail. However, PARSCH maintained that his division was "in chaos" and CHRISTLEY is ready to "blow up."

Both NAVSEA and the I/O reminded **PARSCH** of the Warning Statement he signed concerning discussing the interviews with anyone, and further warned **PARSCH** about disclosing information.

155. **PARSCH** stated during his follow-on meeting that he believed he had “mission impact” in his division due to the hotline investigation. **PARSCH** requested permission numerous times to divulge case information to his leadership chain. **PARSCH** was advised throughout his interviews not to discuss any aspect of the investigation with anyone.

Analysis

156. When questioned about his relationship with **S. DAVIS**, **PARSCH** testified that they were colleagues, and nothing else outside of work. **PARSCH** maintained that they ate lunch alone one time, but contradicted himself when discussing other occasions he may have been out to lunch with **S. DAVIS**. **S. DAVIS** herself testified to eating with **PARSCH** alone once, but also attending group lunches with CSC leadership, as well as get-togethers hosted by the IT division. Multiple witnesses testified to seeing **PARSCH** and **S. DAVIS** both at lunch and sharing rides together. It is possible that lunch alone together only occurred one time based on the testimony of both **PARSCH** and **S. DAVIS**. However, the fact that multiple witnesses testified to seeing **PARSCH** and **S. DAVIS** both at lunch and in a vehicle together undermines the plausibility that **PARSCH** and **S. DAVIS** only shared one lunch and one ride. **PARSCH** also divulged that he was “mentoring” **S. DAVIS** about a possible position within NSWC Crane Command. As such, it can be inferred that **S. DAVIS** and **PARSCH** have more than just an “office-based” relationship if **S. DAVIS** trusts **PARSCH** enough to be her mentor and vice versa.

157. **PARSCH** testified that he was not knowledgeable of the CPARS ratings initially, or that the RTAs had provided **CHRISTLEY** with ratings. **S. DAVIS** testified that she and her management chain had told **PARSCH** of the poor ratings. Both **S. DAVIS** and **CHRISTLEY** testified that **PARSCH** stated that he “did not like to be blindsided” by things such as the CPARS ratings. As shown in the Findings of Fact, **CHRISTLEY** formed the CPARS ratings based upon input from RTAs. **CHRISTLEY** requested the information from RTAs. **PARSCH** was copied on emails from **CHRISTLEY** to the RTA group concerning the CPARS. Based upon testimony, the IO has determined the sequence of events for the CPARS ratings as follows:

e. CPARS are logged into the system of record by **CHRISTLEY**, after being signed by **CHRISTLEY**’s supervisor, **ERXLEBEN**.

f. CSC leadership, along with **S. DAVIS**, meets with **PARSCH** and let him know of poor ratings.

g. **PARSCH** meets with **CHRISTLEY** and states that he does not “like to be blindsided” and further states that the government will “get their lunch eaten” with those ratings.

h. The CPARS ratings are altered in the system by **CHRISTLEY**. One alteration is blamed on a system error, documented as such by contracting. The other alteration changed a

rating from “unsatisfactory” to “satisfactory,” but left verbiage from the original rating in the system.

158. The CPARS change for the system error was documented and dates were provided for reasoning. The other change is not well documented as to the change. **PARSCH** stated that he wanted the items to be reviewed because he “did not believe there were metrics” to reinforce the CPARS ratings. However, the RTA evaluations document reasoning behind the poor ratings. **D. DAVIS**, of the contracting department, testified that he reviewed the initial ratings and found them to describe CSC’s performance adequately. **PARSCH**’s role as **CHRISTLEY**’s second-level supervisor, as well as **CHRISTLEY**’s knowledge of **PARSCH**’s interaction with CSC leadership, influenced **CHRISTLEY** to change the ratings due to an inability to “push-back” against his management chain. **S. DAVIS** testified that the CPARS are “the golden star” for a company and that she had had to answer to her management chain regarding the initial poor scores. **PARSCH** also testified that CSC could have benefited from the increase in ratings. Based on both **PARSCH** and **S. DAVIS**’ comments, it was in the best interest, and plausibly beneficial, to CSC and **DAVIS** that the CPARS ratings be changed.

159. **S. DAVIS** testified to maintaining private meetings with **PARSCH**. **PARSCH** also testified to maintaining private meetings with **S. DAVIS** and CSC leadership. Multiple witnesses, the COR, and even a letter attached in SEAPORT, verify that **PARSCH** has maintained ongoing private meetings. **PARSCH** testified that the new CDRL was put in place because the contracting department did not trust CSC to follow through on goals. However, **TALBERT**, the contract specialist, stated that the CDRL was in response to the ongoing struggle with **PARSCH**’s private meetings and the fact that contracting cannot get the information they need through proper channels. **PARSCH** maintained that the meetings he holds with **S. DAVIS** are for relationship purposes only. However, based upon review of the CDRLs and MSRs, there is indication that the meetings are more than “just relationship” based. There is evidence that **PARSCH** and branch managers reporting to him have discussed requirements, vacancies, hiring, and other items of which the COR should have been apprised. **S. DAVIS** testified that in her opinion, **PARSCH** thinks that FC11 is “his task order” and as such, he should be able to take care of it on his own. She further stated that he does not have the patience or time to deal with contracting. She testified that she felt the COR should be in attendance, and saw no reason that the COR be excluded.

160. **PARSCH** testified to being part of the SSER of task order FC11. Witnesses testified that **PARSCH** had discussions, and lunch, with **S. DAVIS** during the timeframe of the award of FC11. **S. DAVIS** was the PM for task order FC09, the predecessor for FC11, and as such, testified that she met with **PARSCH** concerning FC09 during the timeframe FC11 was awarded. **S. DAVIS** testified that she knew there were multiple proposals, and that she received that information from **PARSCH**.

161. **Greg WEST** testified that due to **PARSCH** inviting CSC employees to “all-hands” and other meetings, CSC personnel were given strategic advantages during contract award. **WEST** testified that he was tasked by his company to write the requirements of the task order proposal. He stated that his company tasked him with writing requirements based on his knowledge of

Code 104's strategy for the upcoming contract. WEST stated that PARSCH conveyed enough information during these meetings that CSC had competitive advantage in the contract arena. "All Hands" presentations obtained by the I/O detail discussion of items such as Code 104's "Playbook" and the Strategic Business Plan. Code 104 "All Hands" discussed non-public information including SOWs, budget and financials, future projects, and future requirements. Other items of discussion during all hands included status and updates on RDT&E Architecture, IA and Cyber Security, and IT Operations. CSC was identified through their MSRs, as well as witness testimony, as attendees at these "All Hands" meetings. Based upon WEST's testimony and the agenda's, PARSCH made non-public information available to CSC during FY15, and likely prior to FY15.

162. Information provided by the NSWC Crane Contracting Department detailed milestones for the follow-on of N00178-04-D-4030-FC11. Based upon the information from contracting, discussion of the follow-on and its requirements began in May of 2014. Due to status as a requirement holder, PARSCH would be privy to the timeline. PARSCH's history of serving on the SSER for selection also places him close to the follow-on contract. During the timeframe since the follow-on contract work started, PARSCH has continued to hold private meetings and invite CSC to "All Hands" meetings as documented through witness and subject testimony, as well as through the MSRs submitted by CSC. Based upon the private meetings, and knowledge of the timeline, PARSCH has been divulging information to CSC that is non-public, and to which other offerors do not have access. It is reasonable to conclude that based upon the ongoing meetings and the type of information delivered to CSC, PARSCH has rendered CSC competitive advantage in the contract marketplace.

163. During PARSCH's follow-on meeting, PARSCH discussed the "mission impact" the hotline case was having on his division. PARSCH continually asked to notify his chain of command regarding the case. PARSCH also disclosed that he had met with CHRISTLEY, and CHRISTLEY was "ready to blow up." PARSCH stated that CHRISTLEY had mentioned quitting his job to PARSCH. PARSCH also indicated that the second floor of building 3173 was "in chaos." Based upon PARSCH's statements in the follow-on interview, it is clear that he has discussed the hotline investigation with division members without the consent of the IO or NAVSEAINSGEN. It is also clear that other subjects are discussing the case without consent of the IO or NAVSEAINSGEN. Specifically, CHRISTLEY went to PARSCH about the case against him. In addition, based upon statements made by PARSCH, it can reasonably be inferred that the other subject, ROSS, has discussed the case as well.

Conclusion

164. Allegation #3 is substantiated.

Recommendation

165. That PARSCH be held accountable for maintaining an ongoing conflict of interest with a contractor employee and utilizing his public office to provide competitive advantage to a contractor agency, violating 5 CFR 2635.703.

166. That the NSW Crane Contracting Office review this case to determine CSC's ability to compete for the N00178-04-D-4030-FC11 follow-on.

167. That PARSCH, ROSS, and REYNOLDS be restricted from serving on SSER boards during the N00178-04-D-4030-FC11 follow-on award.

168. Allegation #4: That Norris REYNOLDS, NT-2210-05, as the "Agency Designee", failed to properly analyze and make a determination, pursuant to 5 CFR 2635.502, whether a reasonable person with knowledge of the relevant facts would be likely to question Francis ROSS' impartiality due to ROSS' personal and intimate relationship with a contractor employee from CSC, and further, failed to determine ROSS' ability or inability to participate in certain matters.

Applicable Standard

169. 5 CFR 2635.502 provides in part as follows:

(c) *Determination by agency designee.* Where he has information concerning a potential appearance problem arising from the financial interest of a member of the employee's household in a particular matter involving specific parties, or from the role in such matter of a person with whom the employee has a covered relationship, the agency designee may make an independent determination as to whether a reasonable person with knowledge of the relevant facts would be likely to question the employee's impartiality in the matter. Ordinarily, the agency designee's determination will be initiated by information provided by the employee pursuant to paragraph (a) of this section. However, at any time, including after the employee has disqualified himself from participation in a matter pursuant to paragraph (e) of this section, the agency designee may make this determination on his own initiative or when requested by the employee's supervisor or any other person responsible for the employee's assignment.

(d) *Authorization by agency designee.* Where an employee's participation in a particular matter involving specific parties would not violate 18 U.S.C. 208(a), but would raise a question in the mind of a reasonable person about his impartiality, the agency designee may authorize the employee to participate in the matter based on a determination, made in light of all relevant circumstances, that the interest of the Government in the employee's participation outweighs the concern that a reasonable person may question the integrity of the agency's programs and operations. Factors which may be taken into consideration include:

- (1) The nature of the relationship involved;
- (2) The effect that resolution of the matter would have upon the financial interests of the person involved in the relationship;
- (3) The nature and importance of the employee's role in the matter, including the extent to which the employee is called upon to exercise discretion in the matter;
- (4) The sensitivity of the matter;
- (5) The difficulty of reassigning the matter to another employee; and
- (6) Adjustments that may be made in the employee's duties that would reduce or eliminate the likelihood that a reasonable person would question the employee's impartiality.

Authorization by the agency designee shall be documented in writing at the agency designee's discretion or when requested by the employee. An employee who has been authorized to participate in a particular matter involving specific parties may not thereafter

disqualify himself from participation in the matter on the basis of an appearance problem involving the same circumstances that have been considered by the agency designee.

Findings of Fact

170. There was no documentation provided to the I/O exhibiting that the NSWCrane agency designee reviewed the relationship in accordance with 5 CFR 2635.502.

171. According to NSWCrane Legal, the agency designee in this case would be REYNOLDS, due to his status as ROSS' supervisor. The IO obtained NSWCrane Legal's opinion of 5 CFR 2635.502, specifically referencing "may make an independent determination." NSWCrane Legal provided that the "may" references an "independent determination" and due to language of "shall" later in the standard, NSWCrane Legal provided that the agency designee had to examine the situation. NSWCrane Legal stated that REYNOLDS should have examined specific elements (six factors designated by 5 CFR 2635.502(d)) of the relationship to determine course of action. In addition, REYNOLDS should have thoroughly documented his analysis of ROSS' relationship using the criteria from 5 CFR 2635.502.

172. Per Allegation 2 of this report, ROSS and BECKER have an established and ongoing relationship.

173. The I/O obtained a copy of ROSS' position description (PD) from the NSWCrane Human Resources Department. According to Ross' PD, he is a "Lead Compliance/Auditor". The PD describes work that involves ensuring confidentiality, integrity, and availability of systems, networks, and information through the planning, analysis, development, implementation, maintenance, and enhancement of information systems security programs, policies, procedures, and tools. In addition, ROSS is expected to act on behalf of the Certifying Authority for the C&A auditing of IT systems and networks and provide significant input into the auditing of C&A packages that have been submitted for C&A. According to ROSS' PD, he is to ensure rigorous application of IA policies, principles, and practices in the delivery of all information technology (IT) services.

Witness Testimony

174. The I/O consulted Susan LUTHER, NSWCrane Legal Counsel, regarding this investigation. LUTHER identified REYNOLDS, per 5 CFR 2635.502, as the "agency designee", due to his role as ROSS' supervisor.

175. LUTHER stated that REYNOLDS also should have documented actions taken to determine whether ROSS' relationship with BECKER was appropriate. LUTHER also advised that REYNOLDS should have consulted with NSWCrane Legal.

176. Francis ROSS, Deputy ISSM, testified that his branch manager, REYNOLDS, is aware of his relationship with BECKER. ROSS also stated that his branch manager questioned him about the relationship. ROSS did not identify a timeframe for the discussion with REYNOLDS.

177. **ROSS** stated that his management (**PARSCH** and **REYNOLDS**) informed him that they had “no issues” with the relationship. **ROSS** could not provide documentation of his management’s approval. **ROSS** stated that everything was verbal.

178. **ROSS** testified that he has been **REYNOLDS**’ deputy for two years.

179. **James PARSCH, Code 104 Division Manager**, testified that he found out about **ROSS**’ relationship incidentally in conversation. However, he could not recall who told him. **PARSCH** stated that upon finding out, he talked to **REYNOLDS** about the situation. **PARSCH** stated that he only learned of the relationship sometime in the past two years.

180. **PARSCH** testified that **REYNOLDS** is a good supervisor, and he trusted that **REYNOLDS** handled the situation. **PARSCH** stated that he “probably told Norris to make sure that there’s proper separation there.”

181. **PARSCH** testified that **REYNOLDS** assured him there was proper separation of **ROSS** and **BECKER** in scope and work.

182. (Sue) **DAVIS** testified that **ROSS** has engagement with contract **N00178-04-D-4030-FC11**. **S. DAVIS** stated that she talks to **ROSS** regarding remediation because he performs the audits to ensure CSC is compliant.

Subject Testimony

183. **Norris REYNOLDS, NSWCrane ISSM and Code 1043 Branch Manager**, was interviewed as the subject of this allegation. **REYNOLDS** testified that **PARSCH** informed him of **ROSS**’ relationship with **BECKER** shortly after **REYNOLDS** became Branch Manager, approximately five years ago.

184. **REYNOLDS** testified that **PARSCH** told him that he had “heard a rumor that there might be something” and for **REYNOLDS** to look into it.

185. **REYNOLDS** stated that he asked **ROSS** if there was anything to the rumor and inquired as to the details. **REYNOLDS** testified that **ROSS** answered his questions.

186. The I/O clarified with **REYNOLDS** as to the nature of his discussion with **ROSS**. **REYNOLDS** testified that his discussion was “all inquiry.”

187. **REYNOLDS** testified that he did not document his conversation with **ROSS** or any analysis of the situation. **REYNOLDS** further stated that he had “never seen anything unprofessional in the office between the two of them (**ROSS** and **BECKER**).”

188. The I/O questioned **REYNOLDS** on his knowledge of 5 CFR 2635.502. **REYNOLDS** responded that he was not familiar with the regulation. **REYNOLDS** further testified that he was unaware of his role as “agency designee” in this situation. **REYNOLDS** could not articulate any specific analysis he performed in reviewing the situation.

189. REYNOLDS testified that he informed PARSCH that the rumor was true about ROSS' relationship.

190. REYNOLDS testified that he did not place any restrictions on ROSS. REYNOLDS stated that ROSS is not a supervisor "in any way, shape, or form." However, the I/O questioned this based on other testimony, and REYNOLDS responded that ROSS does serve as "acting" supervisor in his absence.

191. REYNOLDS confirmed that he did not seek advice from NSWC Crane Legal regarding ROSS' relationship.

192. The I/O questioned what process REYNOLDS used to determine appropriateness of the relationship. However, REYNOLDS stated that other than inquiring about it with ROSS, he had not analyzed the relationship using any factors or elements.

193. REYNOLDS testified that "some time ago" there was discussion about ensuring ROSS and BECKER were not in proximity of one another. REYNOLDS confirmed that, at one time, ROSS and BECKER were on opposite sides of the room, but now are seated within 10-15 feet of each other.

194. REYNOLDS testified that he followed up with PARSCH only to provide answers to PARSCH's inquiry as to the existence of the relationship. REYNOLDS could not identify any specific instructions or revisions he made as an outcome of his inquiry or follow-up discussion with PARSCH, other than some discussion on physical separation of ROSS and BECKER.

Analysis

195. ROSS did not inform REYNOLDS of his relationship with BECKER, as required of ROSS by 5 CFR 2635.502. However, PARSCH informed REYNOLDS of the relationship. Due to REYNOLDS' role as ROSS' supervisor, per definition in 5 CFR 2635.502, REYNOLDS is the agency designee in this case. As agency designee, REYNOLDS must analyze the situation once he becomes aware of the relationship. REYNOLDS testified that he inquired as to the truth of the "rumor," but he did not document his conversation with ROSS.

196. REYNOLDS stated that ROSS "acts" as supervisor in his absence. As such, ROSS has positional authority over BECKER in times that REYNOLDS is gone. REYNOLDS also testified that there was discussion about properly separating ROSS and BECKER in the workplace. However, in the last 5 years, the physical separation of ROSS and BECKER in the workplace has decreased to a mere 10-15 feet. Currently, BECKER sits directly outside of ROSS' office (as provided by Figure 6 in Allegation #2). REYNOLDS provided no evidence that ROSS has received any restrictions due to his relationship with BECKER.

197. REYNOLDS should have made a determination in accordance with the six elements listed in 5 CFR 2635.502(d). Further, 5 CFR 2635.502 provides that REYNOLDS, as the agency designee, shall document his analysis in writing. REYNOLDS neither performed nor

documented the analysis, or consulted with NSWCrane Legal regarding the matter. Thus, ROSS received no restriction or disqualification with regard to his exposure to sensitive information that could provide CSC with competitive advantage, or provide BECKER with information that could improve her position with CSC.

198. Per ROSS' PD, he is Lead Compliance/Auditor. ROSS is expected to act on behalf of the Certifying Authority for the C&A auditing of IT systems and networks and provide significant input into the auditing of C&A packages that have been submitted for C&A. ROSS is to ensure rigorous application of IA policies, principles, and practices in the delivery of all information technology (IT) services. S. DAVIS testified that she discusses areas of compliance with ROSS as it relates to the work CSC performs. ROSS and S. DAVIS both testified that a member of CSC performs work for ROSS. Based upon his PD description as Lead Compliance/Audit, and the fact that a large percentage of Code 104, and specifically ROSS' code, 1043, (approximately 59% and 53% respectively) are contractors, ROSS' job directly involves auditing the CSC workforce for compliance to government policy and regulation.

199.

200. As discussed in Allegation #3, PARSCH barred the COR from meetings held with CSC. This action reduces the transparency of interactions between the government and CSC. Therefore, this fact contributes to making ROSS and BECKER's unrestricted relationship even more concerning and REYNOLDS' analysis, which he failed to perform, even more critical.

Conclusion

201. Allegation #4 is substantiated.

Recommendation

202. That Norris REYNOLDS be held accountable for failing in his role as "agency designee" to properly analyze and provide determination in ROSS' ability or inability to participate in certain matters, pursuant to 5 CFR 2635.

Documents Reviewed

203. Complaint submission form

204. CHRISTLEY's COR file and latest COR review, including nomination and appointment letters

205. CHRISTLEY's training records and certifications

206. FY'15 Invoices for N00178-04-D-4030-FC11

207. Code 104 Org chart and employee listing

208. Various meeting invite lists provided by NSWCrane Contracting

- 209. FY'15 COR reports for N00178-04-D-4030-FC11
- 210. FY'14 and FY'15 CPARS for N00178-04-D-4030-FC11
- 211. CPARS evaluations provided to CHRISTLEY by RTAs
- 212. 1102 File email documenting RUSH's struggle with PARSCH and private meetings
- 213. N00178-04-D-4030-FC11 NDAs provided by NSWC Crane Contracting
- 214. Email documenting BECKER testimony in NSWC Crane CDI M2014-09
- 215. Various monthly status reports generated by CSC, including meeting minutes
- 216. Various contract documents for N00178-04-D-4030-FC11, including Basic and Modifications
- 217. OGE-450 Information for employees associated with N00178-04-D-4030-FC11
- 218. NSWC Crane contractor "Check-in/Check-out" process documentation
- 219. "All Hands" presentations from Code 104
- 220. Francis Ross position description

SMEs Interviewed

- 221. Mr. Donal DAVIS, NSWC Crane, SEAPORT Division Manager, NT-1102-06, 024.
- 222. Mr. Jeff JOHNSON, NSWC Crane, COR Certification Manager, NT-0301-05, 0214.
- 223. Mr. Richard McGarvey, NSCW Crane, Deputy Chief of Contracting, NT-1102-06, 02.
- 224. Ms. Susan Luther, NSWC Crane, Legal Counsel.

Witnesses Interviewed

- 225. Ms. Danielle TALBERT, NSWC Crane, Contract Specialist, GS-1102-12, 0242.
- 226. Mr. Carson POLLEY, NSWC Crane, Team Lead/Contracting Officer, NT-1102-05, 0242.
- 227. Mr. Greg WEST, SABRE (Subcontractor of AECOM/URS, Technology Protection Specialist.
- 228. Ms. Jennifer ARNEY, NSWC Crane, IT Specialist, NT-2210-05, JXSNN.

- 229. Mr. Jerry HARRISON, NSWCrane, Program Analyst, GS-0343-12, 10F11.
- 230. Ms. Nicole WEST, Acquisition Management Specialist, GS-0301-12, 1042.
- 231. Dr. Sue DAVIS, Computer Sciences Corporation, Program Manager.
- 232. Ms. Teri BECKER, Computer Sciences Corporation, C&A Analyst.

Subjects Interviewed

- 233. Mr. Joseph CHRISTLEY, NSWCrane, Contracting Officer's Representative, GS-12, 1042.
- 234. Mr. Francis ROSS, NSWCrane, Administrative/Technical Specialist, NT-2210-05, 1043.
- 235. Mr. James PARSCH, NSWCrane, Manager/Chief Information Officer, NT-0802-06, 104.
- 236. Mr. Norris REYNOLDS, NSWCrane, Supervisory IT Specialist, NT-2210-05, 1043.